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NAVAL POSTGRADUATE SCHOOL

Monterey, California



THESIS

**THE TAIWAN QUESTION: IDENTIFYING COMMON
GROUND TO MAINTAIN STABILITY AND DEVELOP
CONSTRUCTIVE DIALOGUE**

by

Jonathan D. Foster

June 2001

Thesis Advisor:
Second Reader:

H. Lyman Miller
Edward A. Olsen

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**THE TAIWAN QUESTION: IDENTIFYING COMMON GROUND TO
MAINTAIN STABILITY AND DEVELOP CONSTRUCTIVE DIALOGUE**

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The Taiwan Strait remains a possible flashpoint and is potentially one of the most destabilizing issues in the Asia-Pacific region. Even though People's Republic of China (PRC), Taiwanese, and U.S. officials have put forward various policy positions on this issue, the question of Taiwan's future remains unresolved. Finding common ground between all parties involved in the dispute requires each side to see stability and constructive dialogue as the means to a peaceful end. This peaceful solution will only come about after a long-term process of linking the two cross-strait communities by way of exchanges of goodwill and cooperation.

As the people of the PRC and Taiwan work on reconciling their differences, the United States must play a supportive, balanced role. By maintaining a posture of strategic ambiguity and a cross-strait policy built on the three communiqués and the Taiwan Relations Act (TRA), the United States can reduce the likelihood of future conflict while encouraging each side to develop peaceful mechanisms to resolve differences. This thesis examines the Taiwan question from the perspective of conflict resolution to develop ideas and options for policymakers that promote stability and encourage constructive cross-strait dialogue.

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Submitted in partial fulfillment of the
requirements for the degree of

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EXECUTIVE SUMMARY

The resolution of the Taiwan question remains a strategic goal for the People's Republic of China (PRC), Taiwan, and the United States. The current impasse in cross-strait relations and dialogue brings about important questions for all parties involved in the longstanding dispute. How do the PRC and Taiwan get back to the process of constructive dialogue and away from potential military confrontation? What role should the United States play in resolving cross-strait tensions? These questions are the primary focus of this thesis.

By examining the U.S. role in the Taiwan question from the perspective of conflict resolution, policymakers can identify common ground between each side and use this as the basis for maintaining stability and developing constructive dialogue. The goal of this dialogue is to develop ideas and options for policymakers to reduce the likelihood of conflict and to lead to the peaceful resolution of cross-strait differences. By being proactive and building a framework for improved dialogue, each party involved can avoid miscalculations and misperceptions that may derail efforts toward peace.

The methodology used in this thesis applies conflict resolution approaches developed by Roger Fisher, Elizabeth Kopelman, Andrea Schnieder, P. Terrance Hopmann, I. William Zartman, Maureen Berman, and William Ury. This thesis focuses first on problem identification to determine the principal cross-strait differences between the PRC and Taiwan. Second, an analysis of these differences serves to separate the stated positions or outward symptoms of each side from their underlying interests that

can provide a proper remedy for problems. By having the PRC and Taiwan come to value common strategic interests more than their respective positions, each side reduces the likelihood of conflict, promotes stability, and opens mechanisms to develop constructive dialogue.

This thesis explores various approaches to bridge the cross-strait divide by emphasizing interests over positions. It argues that the key to future stability in the Taiwan Strait is shaping a situation that allows each party to gain the will to want to settle and come to view cooperation as the means to a peaceful end. The principal approach to achieve a peaceful settlement of differences involves integrating the cross-strait communities and agreeing to disagree on the meaning of “one China.” An action plan to resolve the Taiwan question peacefully must come about from a strategy of mutually assured peace. In implementing this plan, each side can remove precepts for resuming talks, downplay the militarization of the Taiwan Strait, and eventually integrate via improved cross-strait links.

Finally, the thesis recommends that the United States play a supportive, balanced role and allow the PRC and Taiwan to reconcile cross-strait differences on their own. By maintaining a posture of strategic ambiguity and a cross-strait policy built on the three communiqués and the TRA, the United States can reduce the likelihood of future conflict while encouraging each side to develop peaceful mechanisms to resolve differences.

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The interviews conducted with Professor Ralph Clough at Johns Hopkins University and Kenneth Jarrett at the National Security Council provided me with extensive feed back on questions relating to my thesis while clarifying many issues relating to U.S. cross-strait policy. The generous time and support they provided was very helpful in forming a more balanced view of the topic. I am greatly appreciative to both individuals for taking the time to share their extensive insight and experience.

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I. INTRODUCTION

A. THESIS QUESTION

The peaceful resolution of cross-strait differences between the People's Republic of China (PRC) and Taiwan has been an important issue for the past fifty years. The Taiwan Strait remains a possible flashpoint and is potentially one of the most destabilizing issues in the Asia-Pacific region. Even though PRC, Taiwanese, and U.S. officials have put forward various policy positions on this issue in the past, the question of Taiwan's future remains undetermined. The impasse in cross-strait dialogue between the PRC and Taiwan raises important questions for U.S. policymakers. How do both parties get back to the process of dialogue and away from potential military confrontation? Is their hope for a peacefully negotiated settlement in the future realistic? What role should the United States play in resolving cross-strait tensions? How does U.S. policy toward each party shape the dynamics of potential conflict resolution? The purpose of this thesis is to identify common ground between all parties that might become the basis of efforts to maintain stability and develop constructive dialogue to resolve the Taiwan question peacefully.

B. BACKGROUND

The Taiwan question has remained an ongoing dispute between the PRC and Taiwan since the Chinese Civil War reached an impasse in 1950. In the last decade, the PRC's claim that Taiwan is a renegade province and Taiwan's counter claim of de-facto independence based on historical factors has emerged as the principal issue dividing both parties. As a result, the Taiwan Strait remains one of the most dangerous flashpoints for

the eruption of full-scale conflict in the Asia-Pacific region. The PRC, Taiwan, and the United States have been the principal actors in addressing cross-strait tensions and are the critical participants in efforts to resolve the issue peacefully. The complex triangular relationship that has evolved continues to be unsettled as all sides attempt to safeguard their national interests.

The United States has been both an observer and participant in cross-strait relations. Both sides have viewed U.S. policy as inconsistent, and this has often been the focal point of tensions. This uneasy interaction has resulted in direct U.S. military intervention to maintain peace in the strait during crises in 1954, 1958, and most recently in 1995-1996.¹ All of these past crises developed quickly and without many escalatory actions. The United States made a show of military force and then pursued diplomatic dialogue to address these crises, each of which having the potential to erupt into full-scale conflict between the parties involved.

Cross-strait tensions have elevated again following Lee Teng-hui's 1999 "special state-to-state-relationship" statement, made during an interview while he was still serving as Taiwan's president. In this controversial move, Taipei introduced two new elements to cross-strait relations. First, Lee proposed that negotiations with the PRC should continue to move forward only after the PRC recognized Taiwan as an equal political entity. Secondly, Taiwan rejected the "one country, two systems" formula for reunification put

¹ For a review of the 1954 and 1958 Taiwan Strait crises see "First Taiwan Strait Crisis Quemoy and Matsu Islands" and "Second Taiwan Strait Crisis Quemoy and Matsu Islands 23 August 1958 – 01 January 1959", FAS Military Analysis Network, Available [Online]:http://www.fas.org/man/dod-101/ops/quemoy_matsu.htm [20 January 2001]. For various analyses of the 1995-1996 crisis see James R. Lilley and Chuck Downs ed., *Crisis in the Taiwan Strait*, (Washington D.C.: National Defense University Press, 1997).

forth by the PRC.² This event sent an additional jolt to the prospects for improved cross-strait dialogue that the 1995-1996 Taiwan Strait crisis had derailed. The election of a Taiwanese pro-independence Democratic Progressive Party (DPP) candidate, Chen Shui-bian, in May 2000, resulted in a continued pause in constructive dialogue between the PRC and Taiwan. The PRC viewed both of these events in a negative light and responded in a predictably aggressive manner by reiterating its readiness to use force if Taiwan moved closer toward outright independence.³

The 1995-1996 Taiwan Strait crisis and other more recent cross-strait differences have led Beijing to suspend what seemed to be an improving agenda of dialogue with Taiwan during the early 1990s. Additionally, the PRC has demanded that Taiwan renounce the inference of being a coequal political entity and accept the PRC's "one China, two systems" formula as a condition for the resumption of dialogue between the two parties. Throughout these heated exchanges, the United States has attempted to back its long-standing policy of encouraging dialogue between both sides in hope of resolving the Taiwan question peacefully. Taiwan's new president, Chen Shui-bian, has responded to Beijing's ultimatum by continuing to seek the status of a coequal with the PRC in any

2 See "Li Teng-hui Says Taiwan, China Two Separate Nations", Taipei, FBIS-CHI-1999-0711, 11 July 1999, See also "Li Teng-hui Explains Cross-Straits Ties", Taipei, FBIS-CHI-1999-0720, 20 July 1999.

3 The PRC has threatened the use of force to achieve reunification with Taiwan under the so-called "three ifs": "...if a grave turn of events occurs leading to the separation of Taiwan from China in any name, or if Taiwan is invaded and occupied by foreign countries, or if the Taiwan authorities refuse, sine die, the peaceful settlement of cross-Straits reunification through negotiations...", "China's National Defense in 2000", White Paper published by the Information Office of State Council, People's Republic of China, Available [Online]: <<http://www.china.org.cn/english/2791.htm>> [25 October 2000], See also "The One-China Principle And the Taiwan Issue", The Taiwan Affairs Office & the Information Office of the State Council, People's Republic of China, February 2000, Beijing, Beijing Review, March 6, 2000, 18-19, and "China's National Defense", published by the Information Office of the State Council, People's Republic of China, July 1998, Beijing, Beijing Review, August 10-16, 1998, 15. Although no official PRC statement exists, an additional event that may trigger PRC use of force would be a decision by Taiwan to develop nuclear weapons. See Phillip C. Saunders, "Project Strait Talk: Security and Stability in the Taiwan Strait", Seminar Report, May 12-13 2000, Center for Nonproliferation Studies, Monterey Institute of International Studies, 10-11, Available

future negotiation process and refusing to accept the PRC formula for talks. He also made clear, however, his intention of not pursuing a policy of outright independence.⁴

As U.S. policymakers in President George W. Bush's administration address this issue, it will be important to assess what common ground exists among the parties involved. Stable cross-strait relations between Beijing and Taipei contribute directly to maintaining stability and promoting economic prosperity in the Asia-Pacific region. These principal U.S. national interests will continue to be pillars of U.S. foreign policy into the future. The manner in which the United States handles the Taiwan question will have significant consequences for the entire security environment in East Asia. Therefore, a top U.S. policy priority must be an analysis of possible methods to promote stability in the longstanding dispute that allows the two parties to develop some form of peaceful, constructive dialogue.

C. METHODOLOGY

This thesis examines the U.S. role in the Taiwan standoff from the perspective of conflict resolution. The approach used in analyzing this comprehensive problem focuses primarily on developing a feasible process to manage cross-strait differences rather than discovering a panacea for reconciliation. The ultimate goal of this method is to provide a means to an end, and not the answer to the dilemma. By developing ideas and options for

[Online]: <<http://cns.miis.edu/cns/projects/eanc/conf/strait/index.htm>>.

4 President Chen has advocated wanting to avoid conflict with the PRC and moving toward the direction of reconciliation and improved dialogue. He has also emphasized Taiwan's right to self-determination in working toward efforts to achieve a "win-win" situation. See President Chen Shui-bian's inauguration speech, "Taiwan Stands Up: Advancing to an Uplifting Era", Office of the President, Republic of China, May 20, 2000, Available [Online]: <http://th.gio.gov.tw/pi2000/dow_2.htm> [27 January 2001], "National Day Message Chen Shui-bian President Republic of China", Republic of China Government Information Office, October 10, 2000, Available [Online]: <<http://www.gio.gov.tw/taiwan-website/4-0a/chen/891010.htm>> [31 October 2000], and an interview with President Chen conducted by Lally Weymouth, "We do not want Conflict", *Newsweek*, April 17, 2000, 37.

policymakers that reduce the likelihood of conflict, the Taiwan question can be resolved peacefully.

The methodology used in this thesis comes primarily from a 1994 Harvard Negotiation Project book addressing international conflict entitled *Beyond Machiavelli: Tools for Coping with Conflict*.⁵ The authors explain that advice for a decisionmaker must be purposive, not reactive. This concept focuses on developing a forward-looking policy designed to further an interest rather than responding to specific actions of other parties involved. By being proactive in building a framework for improved dialogue, each party involved can reduce the likelihood that miscalculations and misperceptions may derail efforts toward peace. Additionally, this method emphasizes the fact that “framing a problem in a skillful way is often the key to managing it.”⁶

Each party involved in a conflict has a different view of what the outcome should be. Therefore, this thesis focuses on setting up a useful framework for improving the process of how the PRC, Taiwan, and the United States deal with cross-strait relations. The conflict resolution model used consists of four distinct categories:

- Problem Identification
- Diagnosis
- Approach
- Action Plan⁷

⁵ Roger Fisher, Elizabeth Kopelman, and Andrea Kupfer Schneider, *Beyond Machiavelli: Tools for Coping with Conflict*, (Cambridge: Harvard University Press, 1994).

⁶ Ibid, 14.

⁷ Ibid, 70.

This model can help develop a viable long-term peace process and incorporates conflict resolution work completed by P. Terrance Hopmann, I. William Zartman, Maureen R. Berman, and William Ury.⁸

D. ORGANIZATION

This thesis has four main sections corresponding to the conflict resolution model. Chapter II, “Identifying Cross-Straight Differences” identifies principal cross-strait differences, especially issues relating to maintaining stability and improving constructive dialogue between the parties involved.

Chapter III, “Setting an Agenda to Attack the Problem” examines the various methods used in diagnosing the problems identified in the dispute. This chapter also discusses the various positions each party takes in observing the conflict and analyzes what obstacles hinder resolving the issue peacefully.

Chapter IV, “Building a Bridge between Both Sides of the Strait” analyzes several possible approaches to implement an agenda to work toward resolving the issue peacefully and reduce the likelihood of future conflict.

Chapter V, “Conclusion” advances the arguments to achieve stability and develop constructive dialogue between all parties involved. This final chapter recommends U.S. policy options that best support these goals.

⁸ P. Terrance Hopmann, *The Negotiation Process and the Resolution of International Conflicts*, (Columbia: University of South Carolina Press, 1996), I. William Zartman and Maureen R. Berman place emphasis on a three phase process of negotiation consisting of diagnosis, formula construction, and agreement on details. I. William Zartman and Maureen R. Berman, *The Practical Negotiator*, (New Haven: Yale University Press, 1982)., William Ury in his work with Roger Fisher focuses on an alternative to standard positional bargaining over an issue referred to as “principled negotiation or negotiation on the merits.” This approach focuses on four basic elements: (1) separating the people from the problem; (2) focusing on interests, not positions; (3) generating a variety of possibilities before deciding what to do; and (4) insisting that the result be based on some objective standard. Roger Fisher and William

II. IDENTIFYING CROSS-STRAIT DIFFERENCES

The first category in the conflict resolution model involves problem identification. Laying out the primary cross-strait differences between the PRC and Taiwan is the essential first step in formulating a useful framework for maintaining stability and developing constructive dialogue. Two problems divide the PRC and Taiwan over the Taiwan question:

- The unresolved Chinese Civil War that brings about different interpretations of historical circumstances and cements the cross-strait division
- The evolution of different political systems on each side of the strait, which continues to polarize cross-strait viewpoints and foster the development of opposing national identities

These issues set the contextual nature of how each party views the dispute and serve to further complicate U.S. policy toward cross-strait relations. Analyzing historical cross-strait divisions and the evolution of current political systems and national identities can assist in developing a foundation for future conflict resolution.

A. THE HISTORICAL DIVIDE

Taiwan is located approximately 100 miles off the southeast coast of mainland China. During the 16th century, Portuguese explorers called the island “Ilha Formosa” or “beautiful isle.”⁹ General Douglas MacArthur later described Taiwan as an “unsinkable aircraft carrier” that dominates the sea lines of communication (SLOCs) between the East

Ury, *Getting to Yes: Negotiating Agreement Without Giving In*, (New York: Penguin, 1991).

⁹ Former Taiwanese President Lee Teng-hui uses this description as he sketches out a brief historical overview of the island to show “the complexity of Taiwan’s history and the trials the people of Taiwan have had to endure.”, See Lee Teng-hui, *The Road to Democracy: Taiwan’s Pursuit of Identity*, (Tokyo: PHP Institute, Inc., 1999), 19-20, For a more detailed overview of Taiwan’s geography and history see John F. Copper, *Taiwan: Nation-State or Province?*,

and South China Seas.¹⁰ Dutch traders colonized Taiwan and claimed the island in 1624. In 1664, Ming dynasty loyalist Cheng Ch'eng-kung fled to Taiwan from the mainland and expelled the Dutch. Eventually the Qing empire incorporated the island in 1683 and ruled Taiwan as a prefecture before designating it a formal province in 1887. Eight years later Taiwan became Japan's first colony as a concession following the Sino-Japanese War and remained in that status until the conclusion of World War II.¹¹

As World War II came to a close Japanese dominance in the Asia-Pacific region ended and Taiwan returned to Chinese rule. The 1943 Cairo Declaration had predetermined mainland China's claims to Taiwan during the war. On the eve of the war's end, the Potsdam Declaration in July 1945 subsequently reaffirmed that fate. Taiwan's future radically changed under these agreements, as Chiang Kai-shek's Nationalist government in China, accepted the surrender from Japanese forces, and took over the administration of the island in 1945.¹² Taiwan became an essential asset to Chiang's efforts to unify China under the Republic of China (ROC) and a critical strategic outpost from which the Kuomintang (KMT) could support war efforts against Chinese Communist Party (CCP) forces on the mainland.

Second Edition, (Boulder: Westview Press, Inc., 1996), 1-49.

10 Taiwan has historically been viewed by mainland China as a strategic territorial possession based on some of the factors discussed by General MacArthur. See *Foreign Relations*, 1950, Volume VII, 162.

11 PRC official statements identify the Treaty of Shimonoseki as an unequal treaty following the Japanese "war of aggression against China" and that Japan forcibly occupied Taiwan in 1895. See "The One-China Principle and the Taiwan issue", white paper released by the Taiwan Affairs Office and the Information Office of the State Council, People's Republic of China, February 21, 2000, Available [Online]: <<http://www.fmprc.gov.cn/english/dhtml/>> [16 June 2000], For a detailed historical overview of Taiwan from a U.S. perspective see "Background Notes: Taiwan, August 1999", Bureau of East Asian and Pacific Affairs, U.S. State Department, Available[Online]:<http://www.state.gov/www/background_notes/taiwan_899_bgn.html> [27 January 2001].

12 See Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*, (Boulder: Lynne Rienner Publishers, 1997), 136-137, 142 and Copper, 32-36.

The need to maintain stability and order on Taiwan became a pressing concern for the KMT as it suffered progressive military defeats at the hands of CCP forces on the mainland. The KMT treated many residents of Taiwan as Japanese collaborators, a policy that resulted in an authoritarian crackdown on any perceived opposition to imposed rule from the mainland. The KMT forced Taiwanese independence movements underground during this period and they would not surface overtly again until the formation of the DPP in the 1980s. As KMT forces retreated to Taiwan in 1949, the authority of the ROC government transferred to Taipei from mainland China. This event created a tactical impasse for Mao Tse-tung's communist forces on the mainland and set the stage for later U.S. intervention into the conflict.

U.S. policy toward China had a lack of direction and purpose during the post-World War II period as Europe received primary attention. Although U.S. policymakers wanted a stable China to assume a leadership role in the Asia-Pacific region, no definitive and consistent course of action was set to assist the KMT government in achieving this goal. This position was evident in December 1945 when President Truman stated:

The United States Government considers that the detailed steps necessary to the achievement of political unity in China must be worked out by the Chinese themselves and that intervention by any foreign government in these matters would be inappropriate.¹³

Ideally, the United States looked to the KMT government to resolve differences peacefully with the CCP and form a unified China under a democratic governing system without outside interference. The United States held hope that a “strong, united and

¹³ Statement by President Truman on United States Policy Toward China, December 15, 1945, in Department of State, *United States Relations with China*, 609. For additional information on U.S. policy toward China during this period see Warren I. Cohen, *America's Response to China*, (New York: Columbia University Press, 1990), and

democratic China” would emerge in which KMT, CCP, and other parties would compete through electoral politics rather than war.¹⁴ To the dismay of U.S. policymakers, communist victory on the mainland took hold as the PRC formed on October 1, 1949. From the U.S. perspective, the “loss of China” served as a watershed event and contributed directly to a shift of foreign policy focus from Europe to Asia in order to deal with a growing threat of communist expansion.

The outcome of the Chinese Civil War contributed to the emergence of the Cold War in Asia and had a lasting impact on U.S. actions within the region.¹⁵ As the Korean War broke out in June 1950, the United States formally intervened in the conflict between the KMT and CCP. China’s future altered significantly as the U.S. Seventh Fleet moved into the Taiwan Strait to maintain stability, apply the strategy of containment, and essentially put the Civil War on hold.¹⁶ The resulting Cold War stalemate lasted another forty years and involved various changes in each side’s cross-strait policies.

KMT foreign policy goals from 1950 to 1971 focused on limiting Beijing’s claims to be the legitimate government of China regardless of the outcome of the Civil War. The KMT looked to form anti-communist alliances, improve relations with the United States, prevent the PRC from entering the United Nations, and discourage nations that still maintained official relations with the ROC government from switching sides.¹⁷ The

“Memorandum by the Policy Planning Staff” (PPS 39), *Foreign Relations*, 1948, Vol. VIII.

14 Edward L. Dreyer, *China at War 1901-1949*, (New York: Addison Wesley Longman, 1995), 312.

15 See Michael Yahuda, *The International Politics of the Asia-Pacific, 1945-1995*, (New York: Routledge, 1996), 22-29.

16 Ibid, 46-53.

17 Yu San Wang, *Foreign Policy of the Republic of China on Taiwan*, (New York: Praeger, 1990), 2.

United States and many other countries continued to maintain ties with Taipei until various changes in the Cold War dictated another path.

Although the Cold War gave rise to various cross-strait confrontations, the two most significant shifts in the Taiwan question occurred when:

- The PRC took over the China seat in the United Nations (UN) in October 1971
- The United States officially recognized the PRC as the legitimate government in China on January 1, 1979

These watershed events set back Taiwan's efforts to maintain legitimacy in the international system and reinforced PRC claims that there is only "one China." These events also resulted in the development of new political, military, and economic strategies by all parties involved in the cross-strait dilemma. Although several Taiwan Strait crises erupted after 1950, both sides accepted political and diplomatic venues, such as competitions over obtaining formal recognition from other nations, as the primary battleground to resolve disputes. However, the unresolved Chinese Civil War has remained a principal problem in settling the Taiwan question peacefully based on historical interpretations of Taiwan's status.

1. PRC Claim that Taiwan is a Renegade Province

Beijing views Taiwan as a renegade province in strict geographic terms and does not normally use this description in official statements. However, the "political Taiwan," that remains focused on maintaining a "de facto" autonomous stature in the international system, is viewed by Beijing as the primary negative component in efforts to resolve the issue peacefully. Throughout most of the Cold War, the PRC was satisfied with maintaining the status quo in its approach to dealing with cross-strait issues in order to

focus on pressing external threats and domestic modernization and political issues. U.S. intervention at the onset of the Korean War curtailed Mao's efforts to reunify the island by force, sparking PRC leaders to develop new strategies to deal with Taiwan. As the succession of power in the PRC passed from Mao to Deng Xiaoping, a more pragmatic approach toward the Taiwan question emerged. As Maurice Meisner states:

Beijing's policy toward Taiwan, demanding the reunification of the island with the mainland—by peaceful means if possible, by military force if necessary—remained essentially unchanged during the Deng era.¹⁸

By using verbal threats and shows of military force, Beijing made clear its claim over Taiwan but did not take overt military actions to retake the island.

After successfully defeating Taiwan on numerous legitimacy claims issues in the international system, PRC leaders did not feel a sense of urgency to resolve the Taiwan question.¹⁹ However, Deng did emphasize that the most important issue for the PRC was “the reunification of the motherland.” This resulted in the Standing Committee of the National People’s Congress issuing a “Message to the Taiwan Compatriots” in January 1979, from which the concept of “one country, two systems” evolved.²⁰ This concept was

¹⁸ Maurice Meisner, *Mao's China and After: A History of the People's Republic*, Third Edition, (New York: The Free Press, 1999), 529.

¹⁹ In 1970 seventy-one nations recognized Taiwan compared to forty-eight recognizing the PRC. By the end of the 1970s, these numbers had radically shifted to only twenty-four countries continuing to recognize Taiwan as the legitimate government of China compared to one hundred seventeen maintaining formal relations with the PRC. In 1979 the PRC pronounced the Chinese Government's position regarding peaceful settlement of the Taiwan question and pledged that it “will respect the status quo on Taiwan and the views of people of all walks of life there and adopt reasonable policies and measures.”, Citation from “The Taiwan Question and Reunification of China”, Taiwan Affairs Office & Information Office, State Council, The People’s Republic of China, Beijing, August 1993, Available[Online]:<<http://www.china.org.cn/English/WhitePapers/ReunificationOf.../ReunificationOfChinaE.htm>> [2 June 2000].

²⁰ See Jiang Zemin, “Continue to Promote the Reunification of the Motherland”, January 30, 1995, Available[Online]:<<http://www.fmprc.gov.cn/english/dhtml>> [16 June 2000], Also referred to as the “eight point speech”.

the PRC's compromise in supporting other policies to achieve peaceful reunification with Taiwan and maintain regional stability.

In the 1990s, the PRC approach to settling the Taiwan issue over time faced drastic changes brought about by the overt efforts by Taiwan's leaders to solidify its autonomous status.²¹ Taiwan's transition to a multi-party democratic political system and the election of a DPP presidential candidate further accentuated concerns of PRC leaders that the Taiwan question may have to be dealt with sooner rather than later. Additionally, the reestablishment of Chinese sovereignty over Hong Kong under a form of "one country, two systems" and Macao in 1997 and 1999 respectively left Taiwan as the last significant barrier for the PRC to achieve full national unification.

The PRC cites historical facts to reinforce its claim that Taiwan is an inalienable part of China. As stated in the February 21, 2000 white paper entitled "The One-China Principle in the Taiwan issue":

On October 1, 1949, the Central People's Government of the PRC was proclaimed, replacing the government of the Republic of China to become the only legal government of the whole of China and its sole legal representative in the international arena, thereby bringing the historical status of the Republic of China to an end.²²

21 These efforts include continued requests for membership into the UN and other international organizations, Lee Teng-hui's "special-state-to-state relations" statements, and the election of a pro-independence party candidate in the March 2000 presidential election.

22 The white paper deals extensively with the PRC position on the Taiwan question. Additionally it states: "Since the KMT ruling clique retreated to Taiwan, although its regime has continued to use the designations 'Republic of China' and 'government of the Republic of China,' it has long since completely forfeited its right to exercise state sovereignty on behalf of China and, in reality, has always remained only a local authority in Chinese territory." See "The One-China Principle and the Taiwan issue", white paper released by the Taiwan Affairs Office and the Information Office of the State Council, People's Republic of China, February 21, 2000, Available [Online]: <<http://www.fmprc.gov.cn/english/dhtml/>> [16 June 2000].

The PRC has used an improved position of power in the international system to cement the “one China principle” and attack Taiwan’s claims of de facto autonomy. This competition for international recognition remains ongoing although the PRC clearly holds the dominant position based on its seat in the UN and wide recognition from other countries.

2. Taiwan’s Claim of Sovereignty

Taiwan’s claim to sovereignty derives from the effort of the ROC administration to survive and avoid either being absorbed or attacked by the PRC.²³ Throughout the Cold War, the KMT government on Taiwan declared its ambition to unify China by decisively defeating CCP forces and restoring the formal ROC government on the mainland.²⁴ In 1987, martial law ended on Taiwan paving the way for a more open forum for discussing mainland policy. As the Cold War ended a few years later, the KMT government drafted the 1991 “Guidelines for National Unification.” The purpose of these guidelines was to institutionalize the conduct of relations with the PRC and a presidential decree ending the state of emergency occasioned by the “Communist Rebellion” soon followed.²⁵ These actions resulted from changes in Taiwan’s governing system from an authoritarian one-party regime to a more open democracy not dominated by mainlanders.²⁶ The guidelines also complemented Taiwan’s pragmatic efforts to maintain stability in cross-strait relations and autonomy from the PRC.

²³ Ralph Clough, *Cooperation or Conflict in the Taiwan Strait*, (Lanham: Rowman & Littlefield Publishers, Inc., 1999), 28.

²⁴ Steven M. Goldstein, *Taiwan Faces the Twenty-First Century: Continuing the ‘Miracle’*, Foreign Policy Association, No. 312, Fall 1997, 13.

²⁵ Ibid, 52, See also “Guidelines for National Unification”, adopted by the National Unification Council on February 23, 1991, Available [Online]: <<http://www.gio.gov.tw/taiwan-website/4-0a/guidelines.htm>> [8 August 2000].

²⁶ Some scholars refer to this as the “Taiwanization” of the government on Taiwan.

Taiwan's efforts to maintain de facto autonomy from the mainland and claims of sovereignty derive primarily from a ROC interpretation of historical circumstances at odds with that of the PRC.²⁷ As stated by Taiwan's Government Information Office:

The ROC, founded in 1912, weathered foreign invasions and a civil war in the middle of this century, and remains to this day the only democratic and representative government on Chinese soil. The ROC is an established nation which rules a defined territory and has its own constitution, national flag, legal system, and armed forces.²⁸

However, Taiwan has not issued a formal declaration of independence from the PRC. The leadership in Taipei promotes its claim of sovereignty by diligent efforts to establish formal relations with other nations, gaining membership in various international organizations, and applying for UN membership.

These factors clearly reflect the magnitude of the division between the PRC and Taiwan over the unresolved Chinese Civil War. Additionally, they lay the foundation for Taiwan's pragmatic approach to diplomatic relations in the international system to ensure its survival as a separate "political entity" from the PRC. This requires Taiwan to strike a balance between stable relations with the mainland and efforts toward legitimacy in the international system.

3. The U.S. "One China" Policy

Because of the Korean War, the United States had to deal with established Cold War fronts in East Asia on the Korean peninsula and along the Taiwan Strait. At the conclusion of the war U.S. policy toward Taiwan fostered close relations between the two

²⁷ As John Copper states: "Currently, Taiwan's policy regarding its relationship with Beijing is officially a one-China policy but one which promotes separation until the conditions for unification are right.", See Copper, 167.

²⁸ Cited from the Republic of China Government Information Office website, Available [Online]: <http://www.gio.gov.tw/info/yb97/html/ch9_p.htm> [12 May 2000]. In addition to the island of Taiwan, the ROC

countries, as the KMT government served as a crucial anti-communist ally in the region. However, these relations shifted dramatically as the Cold War evolved. An example of this policy approach was when the United States abrogated the 1954 “Mutual Defense Treaty” with Taiwan and used rapprochement with the PRC to counter Soviet power.²⁹ This was because vital U.S. national interests during the Cold War developed in the context of an overarching Soviet containment strategy that had priority over support of the U.S.-Taiwan security alliance.

With the establishment of diplomatic relations on January 1, 1979, the U.S. government recognized the PRC as the sole legal government of China and acknowledged the Chinese position that there is only “one China” and that Taiwan is part of China.³⁰ Additionally, the United States approved the Taiwan Relations Act (TRA) on April 10, 1979 as a rapidly developed measure to strike a balance in cross-strait tension based on the highly complex triangular relationship between Taiwan, the United States, and the PRC. The purposes of the TRA were:

To help maintain peace, security, and stability in the Western Pacific; and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people of Taiwan.³¹

government exercises control over Kinmen, Matsu, and the Penghus (Pescadores).

29 The “Mutual Defense Treaty between the United States and the Republic of China, December 2, 1954” lapsed in 1980 after the termination of U.S. governmental relations with the ROC on January 1, 1979.

30 As stated in the 1972 Shanghai Communiqué: “The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is part of China. The United States Government does not challenge that position.”, See “Joint Communiqué”, *Peking Review*, No. 9, March 3, 1972, 4-5.

31 “Taiwan Relations Act”, Public Law 96-8, 96th Congress, April 10, 1979.

The strategic ambiguity inherent in the document seemed to be designed to deter both Taiwan and the PRC from carrying out any acts of aggression that might escalate into a cross-strait military confrontation and provoke a U.S. military response.

The enactment of the TRA by the legislative branch served as the first legislation to delineate U.S. foreign policy toward a specific foreign territory.³² The TRA augmented U.S. policy toward cross-strait relations that the executive branch formulated through two previous joint U.S.-PRC communiq  s and other policy guidelines.³³ These differing origins of policy created a contradictory framework that has often complicated the challenging triangular relationship between all parties. These complications are the core of the debate among various U.S. policymakers over strategic clarity versus ambiguity on the issue of defending Taiwan from unprovoked acts of PRC aggression while inhibiting an outright declaration of independence by Taipei.

B. POLITICAL DISPARITY AND NATIONALISM

Because of the long period of separation, the PRC and Taiwan have developed vastly different political systems and ways of life. The opposing political systems of communism and democracy highlight a principal division Taipei points to when resisting

32 John F. Copper, “The Taiwan Relations Act: A Twenty Year Record”, *The Legacy of the Taiwan Relations Act: A Compendium of Authoritative 20th Anniversary Assessments*, (Taipei: Government Information Office, 1999), 68.

33 Three joint U.S.-PRC communiq  s generally set the basis for U.S. policy toward the PRC and Taiwan. The first is the Shanghai Communiqu   of February 28, 1972 in which the United States acknowledged “that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China.” Both governments also agreed to remain open to prospects for the normalization of relations. See “Joint Communique”, *Peking Review*, No. 9, March 3, 1972, 4-5. The next U.S.-PRC statement was the Joint Communiqu   on the Establishment of Diplomatic Relations between the People’s Republic of China and the United States of America of December 15, 1978. In this communiqu  , both sides agreed to recognize each other and establish diplomatic relations as of January 1, 1979. See “Establishment of Diplomatic Relations Between P.R.C. and U.S.A.”, *Peking Review*, No. 51, December 22, 1978, 8. The final joint statement was the Taiwan Arms Communiqu   of August 17, 1982. In this communiqu  , the PRC stated that its “fundamental policy” is “to strive for a peaceful resolution to the Taiwan question”. Additionally, based on the anticipated reduction in the military threat to Taiwan from the PRC the quantitative terms”. See “China, US

unification with the mainland. The CCP in the PRC controls the central government and develops policies to support the Party's goals. Kenneth Lieberthal describes the PRC governing system as one in "which the state dominates the society."³⁴ In contrast, Taiwan's democratic transition brought about a multi-party political system and a central government patterned after the U.S. separation of powers system.³⁵

Although ROC President Chen reaffirms the fact that "the people on the two sides of the Taiwan Strait share the same ancestral, cultural, and historical background," there is still a dispute about the meaning of "one China."³⁶ The emergence of a unique Taiwanese national identity is a direct result of the "Taiwanization" of Taipei politics and sets itself widely apart from mainland influence. These differences directly influence cross-strait viewpoints and thus hinder efforts to maintain stability and develop constructive dialogue.

1. The PRC's Political Environment and National Identity

The Deng era reforms that took hold after Mao's death created a different environment in which the CCP governs the mainland. The revolutionary approach of "class struggle" in implementing policies of the state gave way to more pragmatic efforts focused on stepping up modernization and economic construction. Although the PRC moved from a Maoist-style communism to "socialism with Chinese characteristics," the

"Issue Joint Communique", *Beijing Review*, No. 34, August 23, 1982, 14-15.

³⁴ Kenneth Lieberthal, *Governing China: From Revolution through Reform*, (New York: W.W. Norton & Company, Inc., 1995), 181.

³⁵ In addition to the Executive Yuan (branch of government), Legislative Yuan, and Judicial Yuan Taiwan also possesses a Control Yuan and Examination Yuan. The Control Yuan serves as a quasi-judicial oversight body to check on officials and deter corruption. The Examination Yuan is responsible for writing and administering Western style civil service examinations. See Copper, *Taiwan: Nation-State or Province?*, 92-96.

³⁶ Quote is from President Chen's inauguration speech, "Taiwan Stands Up: Advancing to an Uplifting Era", Office of the President, Republic of China, May 20, 2000, Available [Online]:

CCP continues to maintain centralized control of the government and an authoritarian system of implementing policy.³⁷ It is within this context that PRC leaders “link the issue of the integrity of the Chinese nation with the legitimacy of party dictatorship.”³⁸

The PRC continues to connect its territorial integrity to its great power self image. The PRC views any efforts by Taiwan to separate further from the mainland as attacking its principal goal of national unification after a long period of historical division. The CCP consistently relies on nationalism to reinforce policies put forward and upon ongoing efforts to maintain domestic stability. In the 1980s, Deng made the return of Taiwan one of the PRC’s three major tasks of the decade based on the increasingly attainable prospect of resolving the issue.³⁹ By gaining control of Taiwan, the CCP would gain a momentous victory by achieving the vision of ending the “century of humiliation” and restoring the territorial integrity of China.⁴⁰

<http://th.gio.gov.tw/pi2000/dow_2.htm> [14 February 2001].

37 “Socialism with Chinese characteristics” is a term describing how Deng Xiaoping integrated market-oriented economic reforms into a socialist style governing system in China. As Deng stated: “We should be bolder in carrying out reforms and opening to the outside world and in making experimentation...We will continue to advance along the road of building socialism with Chinese characteristics.”, See “Main Points of Deng Xiaoping’s Talks in Wuchang, Shenzhen, Zhuhai, and Shanghai from 18 January to 21 February 1992”, Beijing, FBIS-CHI-93-214, 8 November 1993. See also “Our Work in All Fields Should Contribute to the Building of Socialism with Chinese Characteristics”, January 12, 1983 and “Building a Socialism with a Specifically Chinese Character”, June 30, 1984, Selected Works of Deng Xiaoping, Volume III (1982-1992), Available [Online]: <<http://english.peopledaily.com.cn/dengxp/>> [21 February 2001].

38 Christopher Hughes, *Taiwan and Chinese Nationalism: National Identity and Status in International Society*, (London: Routledge, 1997), 15.

39 Resolving the Taiwan issue seemed more attainable to the PRC based on the rapid shift in normalizing relations with all major world powers under the “one China” principle. The other two tasks were opposing international hegemonism and stepping up economic construction. However, Deng did not achieve the return of Taiwan. Ibid, 15-16.

40 Jiang Zemin refers to the “century of humiliation” as the period “...from 1900 when the Eight-Power Allied Forces occupied Beijing, subjecting the Chinese nation to great humiliation and bringing the country to the verge of subjugation, to the year 2000 when China will enjoy a fairly comfortable life on the basis of socialism and will make big strides toward the goal of being prosperous and strong.”, See Jiang Zemin, “Hold High the Great Banner of Deng Xiaoping Theory For an All-Around Advancement of the Cause of Building Socialism with Chinese Characteristics into the 21st Century”, *Beijing Review*, October 6-12, 1997, 10-11.

The PRC has the largest bureaucracy in the history of the world and the CCP uses this system to govern all major aspects of economic and social life.⁴¹ This allows PRC leaders to implement Taiwan policies consistently. Additionally, the CCP has the direct backing of the People's Liberation Army (PLA) and can therefore back its diplomatic and political efforts with credible use of military force options.⁴² This accounts for the PLA having an active role in cross-strait policy and contributes to the nationalistic nature of the reunification issue.

The PRC political system remains in a transitional period under the leadership of Jiang Zemin. Prospects for political stability and change in the PRC remain elusive because of many unpredictable variables in the near future. Assessing the future of the PRC affords many possible scenarios, ranging in scale from a “muddling through” the status quo of current reforms to a Neo-Maoist revival or post-Cold War Soviet Union-style fragmentation.⁴³ However, current political trends in the central party leadership and the positive direction Deng’s reforms have taken the PRC toward modernization will likely result in a centrally-guided approach toward future reform. As the PRC moves to a more open market-oriented economy through accession into the World Trade Organization (WTO), the CCP central leadership may face increased levels of social instability and disunity. The question of Taiwan and maintaining regime legitimacy

41 Lieberthal, 169.

42 Unlike most military forces that owe allegiance to the nation-state the PLA owes direct allegiance to the CCP. This allows the CCP to direct the use of military force in support of Party goals. The most notable example of the problematic nature of this relationship came when the CCP used military forces to put down anti-government demonstrations in Tianamen Square in 1989.

43 See Richard Baum, “China After Deng: Ten Scenarios in Search of Reality”, *The China Quarterly*, March 1996.

become issues that are even more pressing for the CCP because of the changing domestic dynamics within the PRC.

Observers suggest that political reforms may lead to the emergence of a democratic regime in the PRC in the near future and that the mainland could constitute “a fourth wave” of democratic transition in the international system.⁴⁴ Although this could possibly be beneficial to improving cross-strait relations from some external perspectives, it remains unlikely and uncertain.⁴⁵ Other observers argue that reaching a resolution of cross-strait differences would be even more difficult with two Chinese democracies. A more credible scenario will be the Communist Party leadership steering a middle course of institutionalized reforms, strengthening the state’s centrally directed pace of economic development, and maintaining the central authority of the CPC to preserve political stability. Therefore, both the PRC’s political system and national identity will remain divisive factors in efforts to resolve the Taiwan question. A democratic PRC in the near future is unlikely and not a clear panacea for reconciling the Taiwan question.

2. The “New Taiwanese”

The title of this section comes from a KMT campaign theme used to describe the new political environment in Taiwan during the December 1998 Taipei city mayoral election. As former Taiwan President Lee Teng-hui explained:

The image of the KMT as the party brought over from the mainland, a party of “outsiders,” is long out of date now. The effect of “new Taiwanese” is to confirm Taiwan’s identity; the term sums up the achievement of the Taiwanese people in having created their own government and having established a political system that works for them.

⁴⁴ See Larry Diamond, *Developing Democracy Toward Consolidation*, (Baltimore: The Johns Hopkins University Press, 1999), 264-267.

⁴⁵ See Minxin Pei, “Is China Democratizing?”, *Foreign Affairs*, January-February 1998.

It reminds us all that the people of Taiwan are committed to building a flourishing and unbiased society.⁴⁶

This statement clearly delineates the evolution of Taiwan's political system and the formation of a unique Taiwanese national identity. Unlike the KMT's goals of unifying the mainland and superimposing a mainland Chinese national identity on Taiwan, the current system accepts the complex historical circumstances of Taiwan's development and diversified cultural elements. This system strives to represent all the people of Taiwan under a framework of democracy and human rights.

The Taipei government insists on the PRC reforming its political system away from communism toward democratic practices before unification with the mainland can be an option.⁴⁷ This policy evolves from the strong anti-communist stance of the KMT regime, as well as from the new direction in which Taiwan's political system has moved. Additionally, this position derives from the economic, social, and cultural gaps that differentiate life on Taiwan compared to that on the mainland. Consistent statements that "Taiwan's future lies in the will of the Taiwanese people" reinforce the democratic principles the leaders in Taipei continue to emphasize as a priority on their political agenda.

46 Lee Teng-Hui, 192.

47 The Mainland Affairs Council of the Executive Yuan published an explanation of relations across the Taiwan Strait stating that: "The very reason why China cannot be unified today is not, as Peking would have it, that a section of the Taiwan population wishes to separate itself from China, neither is it due to the 'interference of certain foreign forces'. It is the political system and level of economic development in Mainland China, and its frequent large-scale and violent power struggles, have weakened people's confidence in the CPC regime.", see "Explanation of Relations Across the Taiwan Straits", Taipei, FBIS-CHI-94-132, 11 July 1994, In what is referred to as President Lee Teng-hui's "six points speech" he stated: "...developing the Chinese culture, maintaining human dignity, safeguarding basic human rights, and practicing democracy and the rule of law should be the purpose of China's unification...We hope that the Mainland will become more prosperous and more democratic so that our 1.2 billion compatriots can enjoy a life of freedom and prosperity.", see "Text of speech by Taiwan President Li Teng-hui at the National Unification Council meeting in Taipei on 8 April", Taipei, FBIS-CHI-95-068, 10 April 1995.

Although Taiwan remains outside most of the formal international system, it gains widespread support for its democratic governing system and the economic prosperity that has taken hold on the island. The “Taiwan experience” embodies the democratic consolidation and economic miracle that Western powers hold up as a shining example for other developing countries to emulate. This allows Taiwan’s leaders to capitalize on close unofficial relations with other powerful countries through economic integration and cultural exchanges, principally the United States and Japan.

Taiwan’s evolving political system continues to encourage nationalism and influences the manner in which the average Taiwanese citizen views the prospects for unification with the mainland. The influx of native Taiwanese into the political spectrum has also contributed to this new sense of national identity. The 2000 presidential election in Taiwan completed the first succession of power under the relatively new multi-party democratic system. As President Chen stated in his inaugural address:

The outcome of Taiwan’s year 2000 presidential election is not the victory of an individual or a political party. It is a victory of the people as well as a victory for democracy, because we have, while attracting global attention, transcended fear, threats and oppression and bravely risen to our feet together.⁴⁸

Taiwan’s democracy represents a broad spectrum of viewpoints, and therefore it is difficult to develop policy without gaining the support of the majority. It is from this baseline that the competing claims over sovereignty, combined with the emerging Taiwanese national identity, remain at the core of cross-strait tensions.

48 President Chen also stated that “...the significance of the alternation of political parties and of the peaceful transition of power lies not in that it is a change of personnel or political parties. Nor in that it is a dynastic change. Rather, it is the return of state and government power to the people through a democratic procedure.”, see “Taiwan Stands Up: Advancing to an Uplifting Era”, Office of the President, Republic of China, May 20, 2000, Available

3. U.S. Approach toward a Communist PRC and Democratic Taiwan

U.S. policy toward cross-strait relations is set within the greater U.S. National Security Strategy (NSS) framework of “engagement” and a broad global context. Current U.S. strategy focuses on three core objectives in the Asia-Pacific region:

- Enhance American security
- Promote American economic prosperity
- Promote democracy and human rights⁴⁹

Avoiding conflict in the Taiwan Strait directly supports all of these policy objectives. Additionally, the United States sees its role in the region as enhancing U.S. security by shaping the environment, responding to threats and crises, and preparing for an uncertain future.⁵⁰

Efforts to maintain stability in cross-strait relations, support democratic reforms in the PRC, and reinforce current political initiatives in Taiwan fall directly in line with U.S. policy objectives. The United States attempts to deal with both the PRC and Taiwan through a similar process of engagement in order to maintain equilibrium in the triangular relationship and support stability by sustaining a peaceful security environment. However, Beijing’s domestic fear of the “peaceful evolution” theory and external concerns about decreasing U.S. influence in East Asia often bring about a negative response from PRC leaders.⁵¹ In contrast, Taiwan uses its democratic values to lobby

[Online]: <http://th.gio.gov.tw/pi2000/dow_2.htm> [14 February 2001].

⁴⁹ *National Security Strategy for a New Century*, Washington D.C.: The White House, Office of the Press Secretary, 5 January 2000, 34-39. Available [Online]: <<http://www.whitehouse.gov/WH/EOP/NSC/html>> [12 February 2000].

⁵⁰ Ibid, 5.

⁵¹ The theory of “peaceful evolution” refers to a strategy that PRC conservatives assert that U.S. Secretary of State John Foster Dulles used in the 1950’s. The term describes a concept that over time market-oriented economic reforms and a more open political system will emerge to peacefully undermine communist regimes in favor of

U.S. policymakers sympathetic to their cause to secure its fragile status in the international system. Democratic values truly differentiate the PRC and Taiwan under U.S. engagement policies.

Taiwan's political system and efforts to establish a new Taiwanese identity benefit from the U.S. engagement policy by reinforcing current trends toward complete democratic consolidation. In sharp contrast, CCP leaders see many aspects of this approach as a type of "containment" strategy intended to curtail PRC efforts to gain a more powerful position in the international system.⁵² This comes about because of PRC views that CCP values are often at odds with those of Western style democracies and that, despite declarations of engagement, the United States will not accept Beijing's Communist regime. While the U.S. engagement policy focuses on economic reforms, market opening, human rights, religious freedom, and rule of law issues, the PRC takes an authoritarian approach to resolving many of these issues often against democratic norms. This has an adverse effect on U.S. policymakers gaining consensus on the type of policy approach needed to deal with the PRC as well as the direction relations should take.⁵³ Regardless of the debate, the growing economic and military power of the PRC has forced the United States to describe its future relationship as competitive.

A principal concern of the PRC is the way in which U.S. involvement in East Asia manifests itself through a large military presence in the region. The United States maintains approximately 100,000 U.S. military personnel in the Asia-Pacific to maintain

democratic principles. See Lieberthal, 215.

52 See Paul H. B. Godwin, "Force and Diplomacy: China Prepares for the Twenty-First Century", in Samuel S. Kim, ed., *China and the World: Chinese Foreign Policy Faces the New Millennium*, (4th ed.: 1998), 178.

53 See Walter Neal Anderson, "Overcoming Uncertainty: U.S.-China Strategic Relations in the 21st Century",

stability and support bilateral security alliances with Japan, the Republic of Korea (ROK), Australia, Thailand, and the Philippines. U.S. actions in the context of the NSS and under the TRA also serve as an ambiguous security guarantee for Taiwan sheltering the island from PRC aggression. Under this security umbrella, Taiwan's evolving national identity and democratic principles are sheltered from any efforts by the PRC to resolve the Taiwan issue by other than peaceful means. From this standpoint, the PRC bolsters its claim that the Taiwan question is an internal matter and any interference by a foreign power legitimizes the use of force by the PRC to defend its sovereign territory.

The combination of the various U.S. approaches toward a communist PRC and democratic Taiwan complicates efforts to maintain stability in cross-strait relations. In order to achieve the core objectives of the NSS, U.S. policy needs to strike a delicate balance by encouraging an environment conducive to improved relations between Beijing and Taipei. Additionally, U.S. policymakers must recognize what aspects of engagement each side may view as counterproductive in efforts to maintain stability. An even-handed approach to cross-strait relations is essential to maintaining "equilibrium" in bilateral relations with the PRC and close unofficial relations with Taiwan. By enhancing stability and providing some predictability in its approach to cross-strait relations the United States can better support efforts to develop constructive dialogue between all parties involved in the dispute.

III. SETTING AN AGENDA TO ATTACK THE PROBLEM

Diagnosing the causes of the problems identified in the previous section and reasons why those problems have not been resolved is the next essential step to developing a relevant conflict resolution framework. The Harvard Negotiation Project divides a potential conflict into seven elements as a mechanism to look behind a party's primary position on an issue and identify its underlying interests (see Table 1).⁵⁴ After using this type of framework as an analytical tool, policymakers can better develop an approach toward the dispute that will:

- Recognize each party's position and viewpoint;
- Address potential obstacles; and
- Focus on shared interests and positions while clarifying each party's Best Alternative To Negotiated Agreement (BATNA)⁵⁵

By taking a problem-solving rather than a confrontational approach toward a conflict, decisionmakers can implement a feasible agenda for attacking the problem. This chapter highlights potential areas of shared interest as well as obstacles that stand in the way of efforts to maintain stability and develop constructive cross-strait dialogue.

⁵⁴ Fisher, Kopelman, and Schneider, 74-82.

⁵⁵ BATNA is a concept based on the tendency for people to underestimate the costs to them, of not reaching agreement, and to overestimate the costs to the other side. Therefore, both sides in a dispute may fail to identify reasonable options if the agreement they were pursuing failed. A party's BATNA becomes the standard against which

SEVEN ELEMENTS OF A CONFLICT SITUATION
Interests:
<ul style="list-style-type: none"> • Have the parties explicitly understood their own interests? • Do the parties understand each other's priorities and constraints?
Options:
<ul style="list-style-type: none"> • Are sufficient options being generated? • Is the process of inventing separated from the process of making commitments?
Legitimacy:
<ul style="list-style-type: none"> • Have relevant precedents and other outside standards of fairness been considered? • Can principles be found that are persuasive to the other side? To us?
Relationship:
<ul style="list-style-type: none"> • What is the ability of the parties to work together? • Is there a working relationship between their negotiators? • Are the parties paying attention to the kind of relationship they want in the future?
Communication:
<ul style="list-style-type: none"> • Is the way the parties communicate helping or interfering with their ability to deal constructively with the conflict? • Are mechanisms in place to confirm that what is understood is in fact what was intended?
Commitment:
<ul style="list-style-type: none"> • Are potential commitments well-crafted? • Does each party know what it would like the other party to agree to? • If the other side said yes, is it clear who would do what tomorrow morning?
Alternatives:
<ul style="list-style-type: none"> • Does each side understand its Best Alternative To Negotiated Agreement—its BATNA? • Are the negative consequences of not settling being used to bring the parties together

Table 1. Harvard Negotiation Project Elements of a Potential Conflict.

any other proposed agreement is measured. See Fisher, Kopelman, and Schneider, 78, and Fisher and Ury, 97-106.

A. RECOGNIZING EACH PARTY'S PERSPECTIVE

The deeply embedded divisions in cross-strait relations polarize the PRC and the ROC on opposing sides of the Taiwan question. An underlying assumption involved in the diagnostic phase is that the parties involved in the dispute are willing to make an initial commitment to negotiate to resolve a jointly recognized conflict of interest.⁵⁶ As Zartman and Berman point out: “Without the will to reach an agreement there will be none, even if the other party’s claim to participate in a solution is admitted.”⁵⁷ This remains an important aspect of current cross-strait relations based on each side’s refusal to negotiate until certain precepts are in place.

By firmly committing to a position in the cross-strait dispute, each side has frustrated efforts to develop constructive dialogue. Additionally, the potential for destabilizing events to escalate into full-scale military conflict is enhanced given the hardline stance each party takes. The more Beijing and Taipei view the dispute from a positional bargaining perspective, the more likely they will lock themselves into a contest of will. Therefore, the only way to work toward a peaceful solution to the Taiwan question is by focusing on goals that are of common interest to both sides. From this context, the PRC and Taiwan must accept the premise that a position is something decided upon and an interest is what caused you to decide.⁵⁸ By analyzing each party’s viewpoint, policymakers can better separate the stated positions or outward symptoms of each side from their underlying interests that provide a remedy for the deeper problems.

56 Hopmann, 79.

57 Zartman and Berman, 66.

58 Fisher and Ury, 41.

1. PRC Position and Viewpoint

Based on the longstanding problems identified in Chapter II the PRC formulates its policies toward the Taiwan question from the position of a rising great power needing to legitimize itself in the international system. PRC grand strategy focuses on achieving the primary national goal of becoming a strong, modernized, unified, and wealthy nation.⁵⁹ From this position, Beijing uses the “one China principle” and peaceful reunification approach of “one country, two systems” as its baseline for dealing with the Taiwan question without considering other possible starting points. By demanding that Taiwan accept the “one China” policy, PRC leaders structure a situation that appears intractable. Additionally, using the threat of military force under the “three ifs” creates additional cross-strait tension, serves as a deterrent against Taiwanese independence movements, and elicits a response from Taipei that may be in direct opposition to the PRC position.

PRC leaders have put forward various official statements defining their position on the Taiwan question including several white papers on the subject. The August 1993 white paper entitled *The Taiwan Question and Reunification of China* states:

Peaceful reunification is a set policy of the Chinese Government. However, any sovereign state is entitled to use any means it deems

⁵⁹ The FY 2000 Secretary of Defense “Annual Report on the Military Power of the People’s Republic of China” states: “The PRC government has not enunciated a ‘grand strategy’ to guide its activities and approach to international affairs, in the Western sense of the term. Indeed, Chinese leaders are largely preoccupied with domestic concerns, especially the need to maintain conditions of national unity and internal stability. We can infer from official statement by senior leaders, government planning documents, and government-affiliated writings that the nearest Chinese equivalent to a ‘grand strategy’ would be its national development strategy, which aims to comprehensively develop national power so that Beijing can achieve its long-term national goals.” Report to Congress Pursuant to the FY2000 National Defense Authorization Act, “Annual Report on the Military Power of the People’s Republic of China”, Available[Online]:<<http://www.defenselink.mil/news/Jun2000/china06222000.htm>> [12 February 2000]. See also Michael D. Swaine and Ashley J. Tellis, *Interpreting China’s Grand Strategy: Past, Present, and Future*, (Santa Monica: RAND, 2000).

necessary, including military ones, to uphold its sovereignty and territorial integrity...The Taiwan question should and entirely can be resolved judiciously through bilateral consultations and within the framework of one China.⁶⁰

Additionally, this white paper emphasized the point that the PRC considers Taiwan an inalienable part of China and defined the origin of the Taiwan issue from the PRC perspective. A continuous rhetorical offensive reinforcing the PRC's cross-strait position and asserting its willingness to use force to prevent Taiwan from declaring independence followed the issuance of the white paper.

Beijing further amplified its official position on the Taiwan question in the February 2000 white paper, entitled "The One-China Principle and the Taiwan Issue." Although this paper enumerated many of the past arguments for resolving the Taiwan question, it responded to Lee Teng-hui's July 1999 "special-state-to-state relations" statement and preceded the March 2000 presidential election on Taiwan. This white paper emphasized that drastic measures may be adopted to resolve the issue if "the Taiwan authorities refuse, sine die, the peaceful settlement of cross-Strait reunification through negotiations." CCP leaders also pointed out that they "cannot allow the resolution of the Taiwan issue to be postponed indefinitely."⁶¹ This new sense of urgency to break the status quo of cross-strait deadlock was likely the result of concerns that pro-independence movements were gaining more backing from the people on Taiwan. That

60 "The Taiwan Question and Reunification of China", Taiwan Affairs Office & Information Office, State Council, The People's Republic of China, Beijing, August 1993, Available[Online]:<<http://www.china.org.cn/English/WhitePapers/ReunificationOf.../ReunificationOfChinaE.htm>> [2 June 2000].

61 See "The One-China Principle and the Taiwan issue", white paper released by the Taiwan Affairs Office and the Information Office of the State Council, People's Republic of China, February 21, 2000, Available [Online]:<<http://www.fmprc.gov.cn/english/dhtml/>> [16 June 2000].

worry was reinforced a month after the issue of the February 2000 white paper with the election of the Taiwanese DPP presidential candidate, Chen Shui-bian.

Although the PRC would have preferred to deal with a one-party, KMT-led regime on Taiwan, CCP leaders still view cross-strait linkages as a viable strategy to promote future reunification. Building on Jiang Zemin's reunification agenda set forth in his January 1995 eight-point speech, Beijing continues to see the importance of expanding economic exchanges and integration between the two sides of the Taiwan Strait.⁶² This position supports the economic development strategy of the PRC and pulls Taiwan closer by linking its economic livelihood directly with that of the mainland.

By advocating the continuation of the “three links” strategy as a viable mechanism for promoting reunification and maintaining stability, CCP leaders clearly view economic interdependence as a useful step toward unifying the motherland. In keeping with this approach, in January 2001 the PRC established the first direct legal link since 1949 to the islands of Quemoy and Matsu.⁶³ Although the PRC prefers to establish more robust links directly to the island of Taiwan itself, this was a significant breakthrough in cross-strait relations. However, CCP leaders intentionally understated the importance of this event so not to provide Chen Shui-bian with any positive reinforcement or domestic support for his cross-strait policy.

The Taiwan question is clearly a top priority for the PRC based on strong emotional and historical ties to overarching Chinese nationalism. The CCP leadership

62 Jiang Zemin, “Continue to Promote the Reunification of the Motherland”, Beijing, 30 January 1995, FBIS-CHI-95-019.

63 Referred to by some as the “three mini-links.” Craig S. Smith, “Taiwan Boats Land in China: First Direct Legal

links reunification of Taiwan directly to PRC national sovereignty and sees it as the last crucial step in achieving closure to the century of humiliation. After resuming sovereignty over Hong Kong and Macao, Beijing sees reunification with Taiwan as a major step toward building a strong, prosperous Chinese nation. Although Beijing views the peaceful settlement of the Taiwan question as a primary goal, CCP leaders may not act as a responsible rational actor if provoked into action vis-à-vis moves toward Taiwan independence. It is from this defined position and viewpoint that efforts to resolve the Taiwan question peacefully proceed under Beijing's reunification policies.

2. Taiwan Position and Viewpoint

Taiwan policies toward cross-strait relations find their basis in many of the problems previously identified, but they differ from the PRC perspective in the approach taken toward the unification issue. Taiwan must be more cautious than the PRC in proceeding toward various unification options based on a variety of internal and external factors that deal directly with issues of sovereignty. This forces the leaders in Taipei to take a calculative, pragmatic stance toward the PRC and issues of unification in order to ensure regime survival in the international system. Taiwan's viewpoint is evident in President Chen's recent political gestures to work with Beijing in the "spirit of the 1992" talks between the Straits Exchange Foundation (SEF) and Association for Relations Across the Taiwan Strait (ARATS) held previously.⁶⁴ This position focuses on opening

Link Since '49", *New York Times*, January 2, 2001.

64 SEF and ARATS are quasi-official organizations established in 1991 by Taiwan and the PRC respectively to negotiate with each other to resolve problems arising in people-to-people relations across the strait. The "spirit of 1992" refers to dialogue between Taiwan and the PRC that resulted in talks between SEF Chairman Koo Chen-fu and his mainland counterpart ARATS chairman Wang Daohan in Singapore in April 1993. These bilateral negotiations resulted in the signing of agreements on authentication of legal documents and the handling of registered mail. See Clough, 34-35. According to the PRC, these talks also resulted in Taiwan accepting a consensus on the meaning of "one China"

up talks with the PRC and developing constructive cross-strait dialogue that can be based on “agreeing to disagree” on each sides interpretation of the “one China principle.”⁶⁵ Only by maintaining this positional difference from Beijing can the leaders in Taipei control domestic political pressure and yet attempt to maintain cross-strait parity with the PRC.

The public political spectrum is much more diverse on Taiwan than in the PRC and thus complicates the manner in which the leaders in Taipei must gain consensus over cross-strait policy formulation. Unlike mainland politics in which the CCP central leadership dominates, the KMT maintains a majority in the Legislative Yuan while a DPP president serves as Taiwan’s chief executive. This division threatens gridlock in policy formulation, implementation, and efforts to define Taiwan’s position on cross-strait relations. Each branch of government must constantly balance the potential negative impact a policy decision may have on issues of national security, economic development, and regime stability. Taiwan’s political system, like its counterpart in the United States, has numerous checks and balances that hinder any one political party from dominating the policymaking forum. Therefore, as political decisions move toward implementation both the open press and various constituents ultimately hold political representatives accountable.

and that this should be the basis for further dialogue. However, Taiwanese government officials have disputed this fact and instead posit that no consensus over the meaning of the “one China” was reached. See David Brown, “Dialogue in Neutral: Private Sector in Gear”, Comparative Connections, Pacific Forum CSIS, 4th Quarter 2000, Available [Online]:<http://www.csis.org/pacfor/cc/004Qchina_taiwan.html> [31 October 2000], “No 1992 Consensus, MAC Chief Says”, China Post, October 20, 2000, Available [Online]:<<http://www.taiwansecurity.org/News/CP-102000.htm>> [25 October 2000], and “Presidential Group Urges Beijing to Resume Talks on 1992-93 Spirit”, Central News Agency, October 12, 2000, Taipei, Available [Online]:<<http://www.taiwansecurity.org/CAN/CAN-101400.htm>> [31 October 2000].

65 “Taking the Lead”, Interview with Taiwan President Chen Shui-bian, *Far Eastern Economic Review*, October

President Chen has shown a great deal of consistency in supporting Taipei's existing cross-strait position. His open support for the National Unification Guidelines, economic links to the mainland, and the current KMT-developed constitution are consistent with the current direction cross-strait policy is moving. This seems to be a more risk-averse approach in comparison to his predecessor, Lee Teng-hui. Additionally, Chen has distanced himself from the DPP independence platform in order to gain support from the KMT and maintain stability. This cautious approach also finds its basis in the lack of majority public backing for a DPP-focused political agenda, as evident by the closely divided March 2000 election results.

As domestic factors and external political dynamics shape Taiwan's perspective toward cross-strait relations, the PRC remains the primary security concern and military threat. In order to address the PRC threat, Taiwan views its relationship with the United States as the cornerstone of its national security policy. Advanced U.S. arms sales via the TRA and forward U.S. military presence in the region remain two principal focal points of Taiwan's national security strategy. A withdrawal of U.S. support via the dissolution of the TRA would effectively remove a significant deterrent of PRC use of force contingencies. Taiwan understands this aspect of regime survival and wants to continue to use the TRA to force PRC leaders to weigh costs and benefits in any potential use of force scenario to resolve the cross-strait dispute. Regardless of what approach to cross-strait relations Taiwan takes, Taipei leaders will continue to view maintaining close unofficial relations with the United States as a strategic necessity.

26, 2000, Available [Online]: <<http://ebird.dtic.mil/Oct2000/s20001020taking.htm>> [20 October 2000].

3. U.S. Position and Viewpoint

Regardless of each side's interpretation of U.S. foreign policy, the United States views maintaining regional stability and the peaceful resolution of cross-strait differences as a top priority in East Asia. The United States remains inextricably linked to both the PRC and Taiwan and must therefore develop a balanced policy approach that shapes the regional environment to support U.S. national interests. The three pillars of the U.S. position toward cross-strait relations are:

- An unchanged U.S. “one China” policy
- An abiding interest that there be a peaceful approach by both sides to resolving differences
- Supporting constructive dialogue between the PRC and Taiwan to serve as the best way for differences to be resolved⁶⁶

Under this overarching position, U.S. policymakers seek the status of an unbiased third party observer.⁶⁷ This approach rules out the option for the United States to take an active mediation role in the dispute such as that assumed during the recent Middle East Peace Process. Additionally, it promotes policies that maintain “equilibrium” in bilateral relations with the PRC and close unofficial relations with Taiwan.

Each U.S. administration since the normalization of relations with the PRC in 1979 has kept to a similar cross-strait policy position. Official recognition of the PRC as the sole legal government of China and maintaining unofficial ties with Taiwan via the TRA have been the standards consistently applied. When the United States signed the

⁶⁶ Susan L. Shirk, Testimony before the House International Relations Committee Asia and Pacific Subcommittee on HR 1838, The Taiwan Security Enhancement Act, September 15, 1999, 3.

⁶⁷ P. J. Crowley, spokesman for the National Security Council, stated that: “We are not playing a role as a mediator, and we have not and do not seek to play that role.” “U.S. Seeks to Avoid Role as China-Taiwan Mediator”, *Washington Post*, May 14, 2000, 12, Available [Online]: <<http://ebird.dtic.mil/May2000/e200051seeks.htm>> [15 May 2000].

August 1982 joint communiqué with the PRC, there was the potential for a shift to occur in the contextual nature of the complex triangular relationship previously established. However, the Reagan administration quickly balanced the potential policy tilt by giving Taiwan six verbal assurances that the United States would not:

- Set a date for ending arms sales
- Hold prior consultations with Beijing on arms sales to Taiwan
- Mediate between Beijing and Taipei
- Press Taiwan to negotiate with the PRC
- Revise the TRA
- Change its position concerning Taiwan's sovereignty⁶⁸

Subsequent U.S. administrations have continued to support the six assurances despite the fact that they have never been incorporated into a formal agreement. The six assurances, in concert with the more recent 1994 President Clinton Taiwan policy review (TPR), have kept unofficial relations with Taiwan on par with the U.S. engagement strategy toward the PRC.⁶⁹

Another critical aspect of the U.S. position and viewpoint is an overriding interest in promoting economic prosperity. Through peaceful, constructive cross-strait dialogue the United States can better benefit from the massive trade conducted with both the PRC and Taiwan. If tensions across the strait can be reduced the potential for military conflicts

⁶⁸ See June Teufel Dreyer, "China's Attitude Toward the Taiwan Relations Act", *The Legacy of the Taiwan Relations Act: A Compendium of Authoritative 20th Anniversary Assessments*, (Taipei: Government Information Office, 1999), 123-124, and Larry M. Wortzel, "Why the Administration Should Reaffirm the 'Six Assurances' to Taiwan", The Heritage Foundation Backgrounder, No. 1352, March 16, 2000, Available [Online]: <<http://www.heritage.org/library/bacgrounder/bg1352.html>> [6 April 2001].

⁶⁹ Although no text or factsheet of the 1994 Taiwan policy review was released, it is believed to be embodied in Presidential Decision Directive (PDD) 28. See "Taiwan Policy [Possible] Presidential Decision Directive PDD 28", 7 September 1994, Available [Online]: <<http://www.fas.org/irp/offdocs/pdd/pdd-28.htm>> [19 May 2000].

to derail regional economic conditions decrease considerably. Therefore, the United States sees stability as promoting economic prosperity.

Reducing cross-strait tensions by encouraging an environment conducive to improved relations between Beijing and Taipei will remain a cornerstone of the U.S. position in the Taiwan question. By providing stability and consistency in its approach to cross-strait relations, the United States can maintain “equilibrium” and balance with both parties. In efforts to keep the U.S. position unbiased, U.S. policymakers feel that the PRC and Taiwan must negotiate the dispute themselves and come to a mutually agreed upon solution. By exerting pressure on one side or the other the United States would undermine its interests in seeing the issue resolved peacefully by both parties without third party intervention. Therefore, a balanced, consistent, and coordinated U.S. cross-strait policy will remain necessary no matter what administration is in office.

B. ADDRESSING POTENTIAL OBSTACLES

An essential element in setting an agenda to resolve cross-strait differences is addressing potential obstacles that stand in the way of efforts to peacefully resolve them. Although many obstacles between the PRC and Taiwan seem daunting, it is clear that both sides have an overriding interest in maintaining stability and avoiding conflict. In order to identify the requisite common ground for improved cooperation, all parties involved in the dispute must overcome two principal obstacles:

- The militarization of the Taiwan Strait
- PRC and Taiwan precepts for negotiations

These obstacles intensify the current impasse in cross-strait dialogue and serve as barriers to moving forward with a peaceful agenda to resolve the longstanding conflict.

1. The Militarization of the Taiwan Strait

Beijing takes a *realpolitik* view of international relations that justifies building a strong military to support its efforts to have the PRC recognized as a major world power. Three primary issues currently dominate the PRC foreign policy and security agenda and influence the manner in which PLA modernization efforts move forward:

- Managing market oriented reforms and domestic stability while integrating China into the broader global economic system
- Safeguarding the territorial integrity and sovereignty of the PRC
- Unification of the Motherland (The Taiwan question)⁷⁰

By adequately managing these national security interests, CCP leaders can effectively maintain the legitimacy they need to govern and achieve various nationalistic goals.

A major factor in PRC efforts to achieve its policy objectives is the ability to shape the regional security environment in a manner that promotes stability. As Mel Gurtov and Byong-Moo Hwang state: “China is no different from any other state in thinking nationally before acting globally.”⁷¹ Therefore, the capabilities of the PLA must achieve a degree of advancement that can effectively challenge peer competitors and influence the implementation of broader PRC foreign policy and security objectives. As stated in the 2000 Chinese Defense White Paper:

China’s fundamental interests lie in its domestic development and stability, the peace and prosperity of its surrounding regions, and the establishment and maintenance of a new regional security order based on

⁷⁰ Although the PRC views the Taiwan question as an internal matter the complicated triangular relationship between the PRC, the United States, and Taiwan brings the issue to the foreign policy forum. After gaining back Hong Kong and Macao, the PRC views reunification with Taiwan as the last crucial step in unifying the motherland.

⁷¹ Mel Gurtov and Byong-Moo Hwang, *China’s Security: The New Roles of the Military*, (Boulder: Lynne Rienner Publishers, 1998), 59.

the Five Principles of Peaceful Coexistence...China pursues a national defense policy that is defensive in nature.⁷²

This statement clearly reflects Beijing's goal of having other major powers view the PRC as a responsible actor in the international system that carries out a peaceful foreign policy agenda with benign intentions. It also highlights the need to build a military capable of projecting power in areas on China's periphery to promote stability, develop a new regional security order, and further national interests under the military doctrine of active defense.

Beijing has also embraced the new dynamic of seeing the post-Cold War world moving away from the likelihood of major wars and toward an increase in local wars and armed conflicts. From this base line, CCP leaders hope to develop a military capability "to counter improvements to Taiwan and other regional military forces, as well as preparing for capabilities the United States might bring to bear in any conflict."⁷³ This position was reinforced by Beijing's observations of U.S.-led actions in Kosovo that it saw as violating Serbia's territorial sovereignty without the backing of the UN. By viewing the international system as a competitive environment in which nations focus on relative gains, the PRC views a potential conflict in its periphery as an inevitable outcome of "power politics."

Beijing's realist perspective, which posits that "world politics continues to involve a zero-sum game, and in the inevitable hierarchy, the more powerful nations

⁷² *China's National Defense in 2000*, White Paper published by the Information Office of State Council, People's Republic of China, Available [Online]: <<http://www.china.org.cn/english/2791.htm>> [25 October 2000]

⁷³ Ibid.

dominate the weak,” sets the tone for how it works to resolve cross-strait differences.⁷⁴

The foreign policy agenda and security goals developed under this viewpoint derive from strategic concepts similar to those of other major powers in the world but differ in scope based on the size, diversity, and vast history of China.⁷⁵ In order to compete in the U.S.-dominated international system, the CCP leaders have adopted a two-pronged strategy.

Beijing first attempts to shape its regional environment so that policy implementation occurs from an advantageous position that seizes the diplomatic initiative. Bilateral avenues are preferred over resorting to multilateral security forums. Additionally, CCP leaders remain opposed to signing formal security alliances based on the potential loss of control in safeguarding PRC interests. This objective often times clashes with other countries’ efforts to promote regional cooperation and sets conditions for a competitive environment. Under this backdrop, Beijing resolutely opposes any hegemonic power constraining PRC ambitions, based on the longstanding history of imperialistic exploitation of China after the Opium Wars.⁷⁶

Second, the PRC seeks to deter potential hostilities that may adversely influence national security interests through an increased focus on improving military readiness and capabilities to provide proportional response to acts of aggression. The primary target of this strategy is what Beijing views as a U.S.-backed encirclement campaign to restrain

⁷⁴ The Chinese refer to realpolitik as ‘power politics’ which is a policy intended solely to promote relative national power without regard to moral principle. Previously cited in Denny Roy, *China’s Foreign Relations*, (Lanham: Rowman & Littlefield Publishers, Inc., 1998), 37.

⁷⁵ For a review of various arguments of what some refer to as China’s “strategic culture” see Mark Burles and Adam Shulsky, *Patterns in China’s Use of Force*, (Santa Monica: RAND, 2000), 79-93.

⁷⁶ The PRC often uses the terms Hegemonism and power politics to describe how it views the manner in which the United States carries out its international relations. Other descriptive words used to identify U.S. actions include “neo-interventionism”, “neo-gunboat diplomacy”, and “neo-economic colonialism.” See China’s National Defense in

the PRC's rise to a more powerful status in the international system. Several principal constraints that the PRC looks to counter include the:

- Presence of approximately 100,000 U.S. troops in the Asia-Pacific region
- U.S.-led regional security alliances
- Potential further remilitarization of Japan
- Potential employment of a Theater Missile Defense (TMD) system in East Asia

The above issues, coupled with a requirement to defend the territorial integrity of the PRC, are the principal reasons why Beijing feels it must develop a credible military option and deterrent capacity by means of a modernized PLA.

The ongoing PRC threat to use force as a means to reunify with Taiwan creates the most volatile aspect of any effort to develop an agenda to resolve cross-strait differences. In this context, the PLA has shifted its strategic focus from "total war" to limited "local wars" to support overall PRC policy objectives. Current PLA modernization efforts and restructuring of forces center around creating a military capable of winning "local wars under high-technology conditions." Within the next five to ten years, the PLA is likely to focus on creating a military that will provide "credible intimidation" and asymmetric engagement capabilities.⁷⁷ This strategy would allow the PLA to avoid an adversary's strength by conducting attacks on the stronger foe's vulnerabilities using unexpected or innovative means.

2000 white paper.

⁷⁷ The procurement of Russian SU-27 aircraft, Kilo-class diesel-electric submarines, and Sovremenny-class guided missile destroyers complement a strategy to develop a military force capable of credible intimidation. See the February 1999 DOD Report to Congress on the Cross-Strait Security Situation.

In keeping with the strategy of active defense, the PLA is preparing for future wars that will be sudden, faster, and more intense. The PRC looks at success on the future battlefield based largely on the ability to destroy the enemy's combat system rather than by the annihilation of enemy personnel and equipment.⁷⁸ This makes it an imperative for the PLA to organize for future conflicts accordingly and gain the ability "to respond quickly and effectively in light of the differences in timing, space, opponents, and challenges."⁷⁹ As the PRC embarks on building a modern military force, CCP leaders seem to have embraced some of Sun-tzu's classical military stratagems for achieving victory against ones adversary. This includes integrating the following maxim in efforts to build the future PLA:

Subjugating the enemy's army without fighting is the true pinnacle of excellence...Thus the highest realization of warfare is to attack the enemy's plans; next is to attack their alliances; next to attack their army; and the lowest is to attack their fortified cities.⁸⁰

By using a combination of political, diplomatic, and military means as described in the previous passage, the PRC can better compete against technologically advanced and more powerful military powers. This leads the PRC down the road to obtain modern military equipment capable of gaining control of the air and command of the sea at critical times. Additionally, PLA doctrine is evolving to support achieving success during the initial battle because of its decisive significance in modern warfare. This includes being

⁷⁸ Cheng Jian, "Take Information Warfare as Starting Point of Military Struggle Preparations", Beijing, *Jiefangjun Bao*, 2 Jun 98, FBIS-CHI-98-167.

⁷⁹ Colonel Fang Ning, "Defense Policy in the New Era", in Michael Pillsbury, ed., *Chinese Views of Future Warfare*, (Washington D.C.: National Defense University Press, 1998), 54.

⁸⁰ Ralph D. Sawyer, "Sun-tzu's Art of War", *The Seven Military Classics of Ancient China*, (Boulder: Westview Press, 1993), 161.

unpredictable and at times striking the enemy first before he has time to mobilize and prepare for the engagement.⁸¹

The PRC has consistently used the threat of force option to deter Taiwan from declaring outright independence. The PLA currently maintains a quantitative advantage over Taiwan's military forces and has an impressive array of short-range ballistic missiles (SRBMs) capable of inflicting major damage on various portions of Taiwan.⁸² However, the PLA lacks the capability to carry out a successful invasion of the island and has a limited capability to support a naval blockade of the sea lines of communication (SLOCs) and Taiwan's ports with its submarine forces. This limits the likely military course of action to a large-scale missile attack and/or information warfare assault designed to disrupt Taiwan's economy and domestic stability.

Across the Strait, many analysts note that Taiwan's military forces maintain a qualitative advantage over the PLA.⁸³ In the near future, Taiwan looks to maintain a "status quo" military balance by obtaining weapon systems and equipment that will deter/defeat PLA military capabilities.⁸⁴ The cornerstone of Taiwan's security is U.S. arms sales and security support provided through the TRA. Military development programs on both sides of the strait continue to be interactive in nature. Based on likely

⁸¹ Zhao Shuanlong, "The Initial Battle Is the Decisive Battle, and Preparations for Military Struggle in the New Period", Beijing, *Jiefangjun Bao*, 18 Aug 98, FBIS-CHI-98-257.

⁸² The PRC theater ballistic and land attack cruise missile program remains the principal "pocket of excellence" in efforts to gain a military advantage over Taiwan and support future PLA warfighting doctrine. See Mark A. Stokes, "China's Military Space and Conventional Theater Missile Development: Implications for Security in the Taiwan Strait", in Susan M. Puska, ed., *People's Liberation Army After Next*, (SSI, 2000), 107-181.

⁸³ For a more detailed assessment of the PRC-Taiwan military balance see James H. Holt, "Analysis: The China-Taiwan Military Balance", *Asia Times Online*, January 27, 2000, Available [Online]: <<http://www.atimes.com/china/BA27Ad01.html>> [26 January 2000].

⁸⁴ February 1999 DOD Report to Congress on the Cross-Strait Security Situation, 3-5.

PLA courses of action, Taiwan seeks to maintain air superiority over the Taiwan Strait and waters contiguous to the island. Taiwan's force development focuses on building an effective counter-blockade capability and defeating an amphibious and/or aerial assault on the island.⁸⁵

Based on the above analysis, the United States, under the backdrop of promoting stability and deterring conflict, influences the cross-strait military balance through arms sales to Taiwan and forward military presence. These actions complicate cross-strait issues and force U.S. policymakers to make critical decisions under potentially adverse conditions. The issue of strategic ambiguity versus strategic clarity comes into play, as the U.S. role in the Taiwan question is determined.⁸⁶ Chapter IV will cover this subject in more detail. The 1995-1996 Taiwan Strait crisis was the most recent test of U.S.-resolve to intervene during a potentially volatile confrontation. As the United States sent two aircraft carrier battle groups to the Taiwan Strait, the ambiguous U.S. policy position quickly materialized into a strong show of force to maintain stability. This has been the only instance of direct U.S. military intervention supporting the security clause provided in the TRA since the formal U.S.-Taiwan security alliance lapsed. U.S. intervention

85 Taiwan has recently described its defense strategy as being centered on "full-scale engagement with the enemy in territory outside Taiwan." See Robert Karniol, "Taiwan's Survival Strategy", *Jane's Defence Weekly*, December 13, 2000, Available [Online]: <<http://ebird.dtic.mil/Sep2000/s20000914taiwans.htm>> [18 September 2000] and Robert Karniol, "Interview with Wu Shih-Wen, Minister of National Defence, Republic of China (Taiwan)", *Jane's Defence Weekly*, September 13, 2000, Available [Online]: <<http://ebird.dtic.mil/Sep2000/s20000914wu.htm>> [18 September 2000].

86 The debate over the viability of the U.S. policy of "strategic ambiguity" versus a policy of "no ambiguity or clarity" remains ongoing. See "Creative Ambiguity Over Taiwan", *Chicago Tribune*, April 16, 2001, Statement of Dr. Kurt Campbell, Deputy Assistant Secretary of Defense for International Security Affairs, U.S. Congress. House. Taiwan, the PRC, and the Taiwan Security Enhancement Act Hearing before the Subcommittee on Asia and the Pacific of the Committee on International Relations, 106th Congress, 15 Sep 1999, 61-65, David Lai, "The Specter of War and Hope for Peace: Mainland China, Taiwan, and the United States", *Strategic Review*, United States Strategic Institute, Boston, Summer 2000, 35-40, and Doug Bandow, "Keeping Peace in the Taiwan Strait", CATO Today's Commentary, March 24, 2000, Available [Online]: <<http://www.cato.org/dailys/03-24-00.html>> [9 May 2000].

served to challenge PRC military capabilities, send a clear signal of resolve, and deter further aggressive actions. It also highlighted the need to find other conflict resolution mechanisms to address the negative impact the militarization of the Taiwan Strait has had on attempts to promote a peaceful approach to cross-strait relations.

2. PRC and Taiwan Precepts for Negotiations

The PRC and Taiwan have reoriented their cross-strait policies in the 1990s based on distinct changes in the post-Cold War international system. Both clearly saw the merit of improved dialogue and embraced domestic considerations in efforts to develop mechanisms to cooperate. As each side settled on its cross-strait position, their efforts to resolve differences later evolved into a negotiating deadlock with clearly stated precepts for initiating further quasi-official dialogue. This current impasse came about because of Taipei's ongoing struggle to improve its standing in the international arena and Beijing's insistence on achieving national unification under the "one China Principle."

In the wake of the Tiananmen Square incident in 1989 and the collapse of the Soviet Union in 1991, Taiwan took advantage of the changing international system and a low point in U.S.-PRC relations to advance its interests.⁸⁷ During this period, Japan also tilted away from the mainland and embraced Taiwan in various official forums such as the Asia-Pacific Economic Cooperation (APEC) organization. Based on these and other changing dynamics, Taiwan saw the post-Cold War period as conducive to expanded foreign relations via a unique form of multilateralism that had become very familiar to Taiwanese policymakers since 1979. Although official diplomatic relations with many

⁸⁷ Bernice Lee, *The Security Implications of the New Taiwan*, (New York: Oxford University Press, 1999), 35.

other countries were not attainable, Taiwan used the immediate post-Cold War period to shore up its position in the international arena and bolster its economic success.

During the 1990s, Taiwan continued its rapid economic growth and worked toward ensuring its survival in the new international system by strengthening close unofficial ties with the United States and other Western countries. This was a vital aspect of Taiwan's national security and efforts to achieve diplomatic recognition in an emerging multilateral system of relations. Domestic political change was also occurring in Taiwan during this period, as constitutional reforms took hold and made multi-party democratic national elections a reality.⁸⁸ The transition to a multi-party democratic system on Taiwan brought with it tremendous domestic focus on how the government carried out its foreign relations. Within this context, Lee Teng-hui oversaw the drafting of the 1991 "Guidelines for National Unification" that institutionalized the conduct of relations with the PRC and appeared to move Taiwan closer to a more cooperative relationship with the mainland. However, the guidelines set two overriding conditions for the future unification of China:

- That unification "should first respect the rights and interests of the people in the Taiwan area, and protect their security and welfare"
- That unification results in the establishment of "a democratic, free and equitably prosperous China"⁸⁹

⁸⁸ Chien-min Chao and Cal Clark ed., *The ROC on the Threshold of the 21st Century: A Paradigm Reexamined*, Occasional Papers/Reprints Series in Contemporary Asian Studies, School of Law University of Maryland, no. 5-1999 (154), 22.

⁸⁹ "Guidelines for National Unification", adopted by the National Unification Council at its third meeting on February 23, 1991, and by the Executive Yuan Council (Cabinet) at its 223rd meeting on March 14, 1991, Available [Online]: <<http://www.gio.gov.tw/taiwan-website/4-0a/guidelines.htm>> [8 August 2000].

The conditions set forth in the guidelines created potential barriers to resolving cross-strait differences based on the clear distinction between each side's political system and national values.

As Taiwan continued to pursue a pragmatic approach to cross-strait relations, Lee supported the April 1993 SEF-ARATS talks in Singapore to work toward improving dialogue on reunification issues. The Koo-Wang or Wang-Koo talks, depending on each side's preference, were symbolically significant but did not provide either side with agreements on the proposed agenda. Follow-up talks between both parties occurred in November 1993 and March 1994 with no notable results.⁹⁰ Although no significant changes occurred in cross-strait relations, the talks did place Taipei on an almost equal footing with its PRC counterpart in terms of negotiating power. This bolstered Lee's political standing and set the conditions for a more assertive Taiwanese nationalistic agenda thereafter.

Taiwan's acquisition of a more powerful political position via dialogue with the PRC, robust economic trade, and expanding unofficial relations culminated in a strong push to reclaim UN membership in 1993. These efforts included an offer of one billion dollars for a seat in the General Assembly with the goal of sustaining Taiwan's international profile in the face of PRC attempts to intensify its isolation.⁹¹ By using "money politics" as a diplomatic tool, Taiwan hoped to obtain UN recognition that could provide a forum to deter any PRC attempts to use force toward reunification and legitimize claims of "de facto" autonomy.

90 Bernice Lee, 22.

91 Ibid, 32-33.

In 1994, Taiwan's improved standing with the United States was evident in President Clinton's Taiwan Policy Review (TPR). The TPR resulted in several significant changes in the scope of unofficial U.S.-Taiwan relations. Four principal policy adjustments were:

- Changing the name of Taiwan's office in the United States to the Taipei Economic and Cultural Representative Office (TECRO) from the Coordination Council of North American Affairs (CCNAA)
- Permitting U.S. officials of economic and technical ministries and agencies to visit Taiwan and meet with Taiwan officials
- Permitting officials of the American Institute of Taiwan (AIT) to visit ROC government ministries
- Authorization, via the AIT, for both parties to hold bilateral economic dialogue at the undersecretary level⁹²

Although the review served to upgrade U.S.-Taiwan relations, it did not go far enough to push the delicate balance with the PRC over the edge. Although the majority of policy changes were positive for Taiwan, the TPR also declared that the U.S. would not support Taiwan's applications to join international organizations where statehood was a membership criterion.⁹³ Additionally, the TPR left U.S. military commitment to Taiwan ambiguous vis-a-vis the existing TRA and failed to fully acknowledge the improved international status the governing authorities in Taipei were attempting to achieve.

The PRC viewed the TPR and ongoing advanced arms sales to Taiwan during this period in a very negative light. Jiang Zemin took this opportunity to reach out to Taiwan by stating in January 1995 that "on the premise that there is only one China, we are prepared to talk with the Taiwan authorities about any matter."⁹⁴ Although this speech

92 Chao and Clark, 113-114.

93 Bernice Lee, 37.

94 However, an important aspect of this offer was only holding negotiations with representatives from the various

came as PRC-Taiwan economic relations and improved dialogue seemed to be moving in a positive direction, cross-strait tensions began to increase. At the time, the PRC had also become Taiwan's second-largest export market after the United States. This began to alarm some Taiwanese leaders who felt that Taiwan was moving too rapidly toward economic interdependence with the PRC. This domestic concern set the context for Lee Teng-hui's rejection of Jiang Zemin's proposed formula for improved dialogue that came via a speech to the National Unification Council on 8 April 1995. As Lee stated: "we must be pragmatic and respect history, and should seek a feasible way for national unification based on the fact that the two shores are separately governed."⁹⁵

Under this backdrop of increased tension, the United States approved Lee Teng-hui's visit to his alma mater, Cornell University, in June 1995.⁹⁶ Lee subsequently used this opportunity to voice his concerns for the plight of Taiwan in the international system and shattered a long period of somewhat peaceful coexistence between Taiwan and the PRC. The outcome of this rising tension in cross-strait relations was the 1995-1996 Taiwan Strait crisis and a move away from constructive dialogue and cooperation.

A second crisis occurred in the region the following year--the 1997 Asian financial crisis. The financial collapse of several rising economic powerhouses in the region highlighted several issues for Taiwan to address in order to continue its diplomatic offensive behind a strong economy. The issues identified by Taiwan included:

political parties and mass organizations on both sides of the strait and not official government leaders. Jiang Zemin, "Continue to Promote the Reunification of the Motherland", Beijing, 30 January 1995, FBIS-CHI-95-019.

95 "Text" of speech by Taiwan President Lee Teng-hui at the National Unification Council meeting in Taipei on 8 April 1995, FBIS-CHI-95-068.

96 See Clough, 1-9.

- Some severe structural problems with the financial system in Taiwan
- A rapidly growing economic dependency with the PRC
- Growing competition with the PRC and ASEAN countries in the production of labor-intensive and relatively low-tech products creating a need for industrial upgrading⁹⁷

Taiwan emerged from the crisis with renewed vigor in its quest to improve external relations, as many Western countries viewed the island as a relatively stable location for continued investment and trade. This event also served to reassess Taiwan's economic links with the mainland in order to prepare for other future financial shocks and address the concerns of a growing economic interdependence with the PRC.⁹⁸

Although U.S. military support during the Strait crisis in 1996 helped assuage Taiwan's fears of Beijing's use of force option, the U.S. cross-strait policy position took another distinct turn during President Clinton's official state visit to the PRC in 1998. During this visit he issued a "3 no's" statement in Shanghai that ran counter to Taiwan's hope for improved standing in the international system and achieving a better position from which to carry out negotiations with Beijing. In reiterating current U.S.-Taiwan policy, President Clinton stated: "we don't support independence for Taiwan, or two Chinas, or one Taiwan, one China. And we don't believe that Taiwan should be a member in any organization for which statehood is a requirement."⁹⁹ This statement effectively took away major bargaining power Taiwan had built up during previous

⁹⁷ Chao and Clark, 97.

⁹⁸ See Peter C.Y. Chow and Bates Gill, ed., *Weathering the Storm: Taiwan, Its Neighbors, and the Asian Financial Crisis*, (Washington D.C.: Brookings Institution Press, 2000).

⁹⁹ Remarks by the President and the First Lady in Discussion on Shaping China for the 21st Century, Shanghai, June 30, 1998, Available [Online]: <<http://www.whitehouse.gov>> [27 September 2000].

negotiations with the PRC and once again curtailed Taipei's efforts to gain an improved standing in the international arena.

Taiwan's efforts to carry out a pragmatic approach to external relations took another step backward after Lee Teng-hui's "special state to state" relations statement in 1999. This statement amplified ongoing efforts by Lee to have Taiwan and the PRC viewed as equal political entities. The PRC immediately responded to the remarks with further hardline rhetoric, perceiving these actions as moving Taiwan closer toward an outright declaration of independence from the mainland.¹⁰⁰ The PRC called for Taiwan to retract the "two states theory" and accept the "one China principle" as a prerequisite for any future dialogue. This watershed in cross-strait relations has ultimately created a more unstable security environment and backed each side into a position demanding opposing precepts for the resumption of further cross-strait dialogue.

C. FOCUSING ON SHARED INTERESTS VICE POSITIONS

In order to move forward and reduce the likelihood for conflict in the Taiwan Strait, both the PRC and Taiwan must come to value common strategic interests more than their respective positions on the interpretation of "one China." As Fisher and Ury point out:

As more attention is paid to positions, less attention is devoted to meeting the underlying concerns of the parties. Agreement becomes less likely. Any agreement reached may reflect a mechanical splitting of the difference between final positions rather than a solution carefully crafted to meet the legitimate interests of the parties. The result is frequently an agreement less satisfactory to each side than it could have been.¹⁰¹

100 "One China is an Indisputable Fact – Comment on the Written Explanation on 'Special State-to-State Relations' Issued by Taiwan Authorities", Beijing, 12 August 1999, FBIS-CHI-1999-0815.

101 Fisher and Ury, 5.

The benefits of improved cross-strait dialogue clearly outweigh the costs of potential military confrontation. As Table 2 delineates, although PRC and Taiwan positions are diametrically opposed, many of the underlying substantive interests overlap. It is within this framework that the possibility for identifying common ground between both parties exists.

Within a developing resolution framework, each party can use both shared interests and differing but complementary interests as the building blocks for working through cross-strait divisions. As each side makes a determined effort to support its respective national interests, substantive issues such as stability and economic prosperity can move to the forefront with constructive dialogue being the mechanism for reaching agreements. In reviewing each party's incentive to negotiate, it is clear that the PRC possesses a stronger bargaining position based on its current standing in the international system and degree of relative national power. This brings about an important question for Taiwan. How does Taipei negotiate with Beijing and achieve any degree of gain?

To address this question, the leaders in Taipei must view the current cross-strait stalemate as not conducive to a secure and prosperous future. Any dialogue must ultimately focus on producing something better than the results obtained by not negotiating. Additionally, the method of negotiating must meet two distinct objectives:

- Not making an agreement that should be rejected; and
- Making the most of current negotiating power so that any agreement that is reached will satisfy the interests of the people of Taiwan as much as possible¹⁰²

102 Ibid, 97.

PRC	TAIWAN
Positions	
<ul style="list-style-type: none"> • Taiwan is an inalienable part of China and the question of Taiwan is a domestic issue of the PRC and any attempt to separate Taiwan from China will be resolutely opposed • Taiwan must accept the “one China principle” as a condition for the resumption of cross-strait dialogue 	<ul style="list-style-type: none"> • The ROC is a sovereign state and no other government in the world has any legitimate claim • Taiwan will not accept the “one China principle” as the precept behind unification talks if the mainland insists that Taiwan is a province or part of the PRC
Interests	
<p style="text-align: center;"><u>Substantive Interests</u></p> <ul style="list-style-type: none"> • Avoid conflict and maintain stability through the peaceful reunification of China in the form of “one country, two systems” • Safeguard sovereignty and territorial integrity • Maintain domestic political legitimacy • Promote economic prosperity <p style="text-align: center;"><u>Symbolic Interests</u></p> <ul style="list-style-type: none"> • Historical claim that Taiwan is part of mainland China <p style="text-align: center;"><u>Domestic Political Interests</u></p> <ul style="list-style-type: none"> • Reunification of China is an essential aspect of Chinese nationalism and is linked directly to regime legitimacy 	<p style="text-align: center;"><u>Substantive Interests</u></p> <ul style="list-style-type: none"> • Avoid conflict and maintain stability by respecting the will of the people in the Taiwan area • Maintain de-facto independence until Taiwan can accept conditions for unification • Maintain the right to self-determination through democratic practices • Promote economic prosperity <p style="text-align: center;"><u>Symbolic Interests</u></p> <ul style="list-style-type: none"> • China is a divided country under two separate governments <p style="text-align: center;"><u>Domestic Political Interests</u></p> <ul style="list-style-type: none"> • The issue of national unification must be carried out under principles of democracy by gaining acceptance and majority support from the people of Taiwan

Table 2. Cross-Strait Positions and Interests.

It is within this context that Taiwan must develop its BATNA in addressing cross-strait differences. Likewise, any U.S. policy position should be supportive of Taiwan’s efforts

to reach an agreement but not place undue pressure to settle for a solution not conducive to long-term stability and cooperation across the Strait.

Based on the PRC's intentions to develop dialogue leading to reunification, CCP leaders clearly have an incentive to look forward, not back. By distancing the current cross-strait deadlock from past problems, current efforts to support various national interests can develop mutually advantageous solutions. As Fisher and Ury state:

Negotiating hard for your interests does not mean being closed to the other side's point of view... You can hardly expect the other side to listen to your interests and discuss the options you suggest if you don't take their interests into account and show yourself to be open to their suggestions. Successful negotiation requires being both firm *and* open.¹⁰³

With Chinese society deeply rooted in an authoritarian tradition, both the PRC and Taiwan cannot allow the desire to define a superior and subordinate relationship to counteract efforts to resolve cross-strait issues.¹⁰⁴ It is from this baseline that efforts to implement a conflict resolution agenda move forward under a process of building a bridge to close the cross-strait divide.

103 Ibid, 55.

104 This is often depicted as the “who needs whom” theme described during previous U.S.-PRC negotiations. This concept involves “assessing the motives and needs that lead a counterpart government or official to want to sustain a relationship within which specific issues will be resolved in favor of the interests of one party or the other (if not both).” See Richard H. Solomon, *Chinese Political Negotiating Behavior 1967-1984*, (Santa Monica: Rand, 1995),20-21.

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IV. BUILDING A BRIDGE BETWEEN BOTH SIDES OF THE STRAIT

Many skeptics enunciate a “common wisdom” approach to attempts to negotiate an end to civil wars. This concept posits that civil wars cannot end by negotiations because the stakes are much higher than wars of conquest and that adversaries forced to live with one another afterward will continue to carry on the pattern of hostility. However, a recent United States Institute of Peace study has shown this “common wisdom” not to be true. Six post-1945 civil wars that ended for a period of at least five years were stopped through a negotiated settlement: Columbia, ending in 1957; Yemen in 1970; Sudan in 1971; Zimbabwe in 1980; Nigeria in 1970; and Greece in 1949.¹⁰⁵

These historical examples, as well as the will of Chinese people on both sides of the strait in search of a peaceful solution, provide hope that the Taiwan question can be resolved without future conflict. As discussed previously, the deep-rooted cross-strait differences between the PRC and Taiwan clearly point to a need for a more long-term process of resolution and reconciliation. Therefore, any conflict resolution framework applied must be pragmatic and flexible. As both parties in the dispute remain at disparate levels of recognition in the defined international system, negotiated solutions become difficult but not beyond achievement. As settlement is often seen as a second-best

¹⁰⁵ Additionally, the American Civil War also had elements of a negotiated settlement as Federal leaders in the North let Southerners in the Army return to their homes rather than be tried for treason and executed. See Roy Licklider, “Negotiating an End in Civil Wars: General Findings”, Timothy D. Sisk, ed., *New Approaches to International Negotiation and Mediation*, (Washington: U.S. Institute of Peace, 1999), 24-27.

solution, based on the need for some concessions by the opposing parties, each side must come to a point defined by I. William Zartman as a “mutually hurting stalemate.”¹⁰⁶

The key to future stability in the Taiwan Strait is shaping the situation so that each party gains the will to settle and to view cooperation as the means to a peaceful end. It is clear that the current impasse in constructive cross-strait dialogue reflects the failure of the mechanisms designed to manage the dispute.¹⁰⁷ In an effort to develop overlapping bargaining space from the complex historical divisions, a deductive formula or approach to conflict resolution based on fundamental principles needs to be set forth. This approach finds its basis in trying to “upgrade common interests that the parties share or suggest new ways of conceptualizing the issue so that the problem can be resolved integratively.”¹⁰⁸

To bridge the cross-strait divide, promote stability, and develop a constructive dialogue between the PRC and Taiwan, a two-step approach to conflict resolution, emphasizing interests over positions, needs to be initiated in the near-term:

- First, all parties must build on the ongoing integration efforts across the strait and their overlapping interests in stability and economic prosperity
- Second, the SEF-ARATS meeting format or similar unofficial dialogue forum needs to be set up without preconditions for the resumption of talks

Through these two broad initiatives each side can gain a better understanding of cross-strait differences and open lines of communication that serve as conduits for working toward a peaceful solution. Both sides need to be willing to allow informal talks, cultural

106 Ibid.

107 Fischer, Kopelman, and Schneider, 121.

108 As Zartman and Berman note, such a “formula or framework of principles helps give structure and coherence to an agreement on details, helps facilitate the search for solutions on component items, and helps create a positive,

and economic exchanges, and second track diplomatic efforts to begin the process of cooperation and reduce the negative aspects of focusing on the cross-strait military balance or other stated opposing positions.

A. INTEGRATING CROSS-STRAIT COMMUNITIES

Chen Shui-bian has advocated a historical Chinese value that places an emphasis on “pleasing those near and appealing to those from afar,” and “when those from afar will not submit, then one must practice kindness and virtue to attract them.”¹⁰⁹ This statement clearly delineates the need of both the PRC and Taiwan to avoid conflict at all costs and instead focus on peaceful means to carry out an agenda toward future integration.¹¹⁰ Cultural and academic exchanges, tourism, and economic linkages can enhance mutual understanding and provide people on both sides of the strait with insight into the means to reduce potential barriers standing in the way of improved cooperation. By fostering such an environment of *tonghe*, each side can enhance regional stability leading to the development of constructive dialogue to address cross-strait differences.¹¹¹

1. Linking the Communities Across the Strait

Integration between the PRC and Taiwan is already ongoing because each side has realized that some forms of cross-strait links are mutually beneficial. In line with this integration, Yung Wei argues for a new orientation for policymaking that emphasizes the concept of “linkage communities”:

creative image of negotiation rather than an image of concession and compromise.” See Hopmann, 80.

¹⁰⁹ Citation previously used by Chen in his inauguration speech. See “Taiwan Stands Up: Advancing to an Uplifting Era”, Office of the President, Republic of China, May 20, 2000, Available [Online]: <http://th.gio.gov.tw/pi2000/dow_2.htm> [14 February 2001].

¹¹⁰ Integration in this context does not necessarily equate to reunification.

¹¹¹ *Tonghe* used in this context refers in a broad sense to integration and unification.

Instead of focusing our attention on the role of the state, the problems of sovereignty, the decisions of the elite, the legal process, and the political structure, we will turn more to the orientation of the population; the development of shared values and norms between people of different systems; the direction of deliberation and debate in the representative bodies at the central and local levels; and the overall volume as well as intensity of actual individual and group interactions between the two political systems within a partitioned society.¹¹²

The approach described above has direct impact on the current impasse in cross-strait relations by emphasizing the need to move away from those obstacles previously identified, issues of sovereignty and opposing political systems, and focus more on shared interests. By removing the traditional positional bargaining aspects of the Taiwan question, the stage can be set for the development of a framework capable of addressing the principle cross-strait divisions.

Although Beijing would like to see Taipei accept its “one country, two systems” approach to peaceful reunification, each party across the strait must first develop the understanding of the other party’s determination of what issues are truly important. In order to address both parties’ opposing viewpoint, both must build a bridge of understanding and trust. By emphasizing improved links between both sides, the different perceptions of relevant history, current facts, grievances, and the goals and intentions of each government can become more transparent and not just argumentatively addressed in white papers.

¹¹² Additionally Wei posits that “the higher the percentage of people belonging to the “linkage community” on each side of a partitioned society or multi-system nation, the less likely the possibility of inter-system military confrontation and the more likely the achievement of functional integration, which may eventually lead to peaceful political reunification.” See Yung Wei, “From “Multi-System Nations” to “Linkage Communities”: A New Conceptual Scheme for the Integration of Divided Nations”, Occasional Papers/Reprints Series in Contemporary Asian Studies, Number 1-1998 (144), School of Law University of Maryland, 7-8.

A recent success story of integration efforts involves the establishment of the “three mini links” and Taipei’s efforts to implement its “open door” policy to encourage tourism. As these critical steps toward stability overcame historical cross-strait divisions, each side can now focus on a developmental strategy that addresses how to integrate further by way of entry into the WTO. This future mechanism for opening up trade and investment will link the opposing sides in a more cooperative relationship and overcome many of the obstacles that currently exist. The WTO also provides each party with a useful mechanism of dialogue that involves other international actors and various neutral forums to carry out discussions.

2. Keeping Stability and Economic Prosperity at the Center of Cross-Strait Relations

The path free from future conflict revolves around the common interests of stability and economic prosperity. Both of these substantive interests seem to have the backing, in principle if not practice, of both sides. Cross-strait exchanges grew at a two-digit rate in 2000 and included Taiwanese investment on the mainland of \$1.746 billion. The future of cross-strait integration therefore looks bright.¹¹³ Despite the absence of constructive dialogue, economic factors continue to bridge the divisive nature of cross-strait relations. Although Taipei continues to oversee economic integration with the mainland through the “no haste, be patient” policy, diligent efforts by Taiwanese

¹¹³ All the initiatives to promote increased exchanges with the mainland remain guided by the principle of not sacrificing the national security of Taiwan. Fan Liqing and Chen Binhua, “Opposing ‘Taiwan Independence’ and Promoting Reunification”, Xinhua, December 28, 2000, Available [Online]: <<http://www.fas.org/news/china/2000/china-001228-taiwan1.htm>> [20 January 2001] and Lin Chong-pin, “Goodwill and Proactive Exchange Policy: How Taipei Manages the Cross-strait Relations”, The USA, Taiwan, and the PRC: Security and Strategy after the Elections of 2000, A Hudson Institute Conference, Indianapolis, Indiana, published January 12, 2001, Available [Online]: <<http://www.gio.gov.tw/taiwan-website/4-0a/politics/GOODWILL20010215.htm>> [21 February 2001].

businessman have established an influential position in Taiwan's mainland policymaking forums.¹¹⁴ At the current pace of Taiwanese investment on the mainland, the year 2000 figure may account for half of Taiwan's total foreign investment.¹¹⁵

However, economic integration, like all other efforts to resolve cross-strait differences, needs to be managed with patience and pragmatism. As Lin Chong-pin, vice-chairman of the Mainland Affairs Council (MAC) in Taiwan, states: "There's a growing dependence of Taiwan's economy on the mainland, and this is not a healthy picture."¹¹⁶ Although some in Taiwan such as Lin view growing economic interdependence cautiously, others see it as a stabilizing factor leading to the maintenance of peace. By exposing the mainland to Taiwan business interests, each side can close the gap created by a lack of trust and cooperation. Just as Taiwan has become more vulnerable to mainland influence through linked economic systems, the inverse is true for the PRC to a limited degree as well.

The PRC appears to approach economic integration with Taiwan as part of a "united front" strategy to attract KMT-backed business interests in an effort to influence

¹¹⁴ This has resulted in the MAC sending proposed changes to the existing 'go slow' policy that would ease some restrictions on mainland bound investments. Sofia Wu, "CNA: 'go Slow' Policy Review Already Referred to Cabinet: Mac Chief", Taipei, 2 April 2001, FBIS, Doc ID: CPP20010402000068. In contrast to easing restrictions on mainland investment, President Chen Shui-bian has fully endorsed the "go south" policy in which Taiwan businesses are encouraged to invest in Southeast Asia to lessen economic dependence on the mainland. See "Chen Reiterates 'Go South' Policy", Central News Agency, October 23, 2000, Available [Online]: <<http://www.taiwansecurity.org/CNA/CNA-102300.htm>> [20 January 2001].

¹¹⁵ More than half of Taiwan's mainland investments are made by high tech companies and this accounts for the fact that in December 2000 the PRC surpassed Taiwan to become the third largest Information Technology producer behind the U.S. and Japan. See Brown and "Trade Relationship with Taiwan", Ministry of Foreign Trade and Economic Cooperations, People's Republic of China, Available [Online]: <http://www.moftec.gov.cn/moftec_en/tga/tw/tw_en.html> [27 April 2001].

¹¹⁶ Julian Baum states that the pillars of Taiwan's economy, electronics firms, are shifting the majority of their production to the mainland leading to greater economic interdependence and potential negative impacts. Cited previously in Julian Baum, "Dangerous Liaisons", *Far Eastern Economic Review*, 25 March 1999, Available [Online]:

Chen Shu-bian's cross-strait policies.¹¹⁷ At first glance, these efforts may seem counterproductive to developing improved relations. However, the cross-strait exchanges provide an excellent venue to share ideas and interests. A strategy designed to undermine Chen's credibility can eventually be used as a useful mechanism for feedback and as a stepping-stone to support efforts to develop dialogue that is more constructive. As Beijing focuses on reaching out to Taiwanese businessman, both sides will see that the benefits of economic development clearly outweigh the costs of future conflict. Additionally, the opposing values each side holds as barriers can be more effectively worked through in a benign environment not directly affiliated with official government positions or political biases.

B. AGREEING TO DISAGREE ON THE MEANING OF “ONE CHINA”

As each party seeks a stable and secure environment that promotes economic prosperity, cross-strait dialogue becomes an essential element in achieving this vision. Regardless of whether dialogue is occurring through second track diplomatic efforts, quasi-official cross-strait organizations, or official government agencies, it has to be part of any peaceful approach to resolve the Taiwan question. A new process of dialogue that allows both sides see the benefit of direct or indirect communication needs to be initiated in the near-term. The premise of these new talks cannot be acceptance of the PRC “one China principle,” the “1992 consensus,” or the “spirit of 1992.” Instead, it should be a more basic concept--talks about talks. From this low level, each side merely has to agree to disagree and move forward from there.

<http://www.feer.com/9903_25/p10cover.html> [22 March 2001].

117 “Behind the Smiles: China’s New Tactics to Woo Taiwan”, *Economist*, October 21-27, 2000 and Maureen Pao, “Hands Across the Water”, *Far Eastern Economic Review*, December 14, 2000, Available [Online]:

1. Talks About Talks

It is unrealistic to expect that Jiang Zemin and Chen Shui-bian will sit down at the negotiating table in the near future and resolve the Taiwan question. However, Jiang has made consistent overtures to reach out to Taiwan, while Chen has been willing to do the same. The principal barrier, as discussed previously, is Beijing's premise that there is only "one China" and Taiwan is part of China. Putting this position aside and focusing on stability in the strait, Jiang has made clear his position on negotiations via his 1995 eight-point's speech:

It has been our consistent stand to hold negotiations with the Taiwan authorities on the peaceful reunification of the motherland. Representatives from the various political parties and mass organizations on both sides of the Taiwan Straits can be invited to participate in such talks.¹¹⁸

This statement, without the premise of "one China," can be used as a possible baseline for a talks-about-talks forum. By emboldening political parties and mass organizations to take up the cause of constructive cross-strait dialogue and exchanges, each side can minimize positional bargaining while using underlying interests as a mechanism for cooperation.

ARATS and SEF are organizations that have had dealings in the past on cross-strait issues. They are not now conducting talks at present because Beijing cut off contacts after Lee Teng-hui enunciated his position of relations as based on a "state-to-state" basis. However, Beijing must see the reasoning behind this action. Taiwan, fearing

<http://www.feer.com/_0012_14/p022region.html> [22 March 2001].

¹¹⁸ Jiang Zemin, "Continue to Promote the Reunification of the Motherland", Beijing, 30 January 1995, FBIS-CHI-95-019.

PRC domination of the negotiation process, attempted to gain equal footing in any future talks and did not issue the statement in an effort to move toward outright independence. Chen Shui-bian has also made an effort to clarify Taiwan's intentions and downplay any shift toward independence by his "four no's" pledge to:

- Not declare independence
- Not change the national title
- Not push for the inclusion of the so-called "state-to-state" description in the Constitution
- Not promote a referendum to change the status quo in regard to the question of independence or unification¹¹⁹

If Beijing still wishes to pursue a peaceful reunification agenda that brings Taiwan under PRC sovereignty without disrupting each side's economic achievements, then responding to Chen's reaching out seems a logical course of action.

2. Opening Moves

As Richard Solomon points out, the PRC tends to follow a linear process of carrying out political negotiations. The first crucial step in this process is opening moves during which a relationship with a counterpart is established, a favorable agenda is set, and the other side commits to the "principles" the PRC has put forward.¹²⁰ It is clear that the first two elements of opening moves already occurred during the previous SEF-ARATS talks, while the third remains the problematic precondition that has stalled efforts to resume constructive cross-strait dialogue. The impasse stemmed from the PRC's belief that reunification and legitimacy are interrelated. If leaders in Beijing were

¹¹⁹ "Taiwan Stands Up: Advancing to an Uplifting Era", Office of the President, Republic of China, May 20, 2000, Available [Online]: <http://th.gio.gov.tw/pi2000/dow_2.htm> [14 February 2001].

¹²⁰ Richard H. Solomon, *Chinese Negotiating Behavior: Pursuing Interests Through 'Old Friends'*, (Washington D.C.: U.S. Institute of Peace Press, 1999), 58-75.

to compromise on the one-China principle, they would run the risk of delegitimizing other aspects of their governing authority.¹²¹ Therefore, Beijing's reunification strategy focuses not on compromise or cooperation but instead on the use of military threats and a pattern of international isolation against Taiwan.¹²²

The leaders in Beijing understand that many of these current reunification tactics will only push Taiwan further away and are counterproductive to developing shared interests. This realization is likely why Beijing feels an increased sense of urgency to resolve differences sooner rather than later. While it seems beneficial to allow lower level entities such as ARATS to conduct opening moves with their Taiwanese counterpart without preconditions, Beijing still fails to compromise its position because of legitimacy concerns. Compromising on the “one China” principle is clearly not in the PRC’s reunification agenda in the near-term unless dramatic changes occur within the current central Party leadership.

Initiating opening moves comes down to a cost-benefit assessment by Beijing and Taipei regarding which side really stands to lose less by maintaining the status quo in the cross-strait relationship. As P. Terrance Hopmann points out:

The party that can threaten the other with an outcome of nonagreement more credibly, because it stands to lose less from the failure to agree, is in a better position to demand a greater share from a cooperative outcome.¹²³

121 Hughes, 158-159.

122 Solomon refers to this type of strategy as “Killing the Chicken to Warn the Monkey.” This concept involves taking some limited-cost action that validates their willingness to carry out a more substantial threat (i.e. the 1995-1996 Taiwan Straits crisis). Solomon, 104-105. For another viewpoint of Chinese negotiating styles see Ambassador Kagechika Matano, “Chinese Negotiating Styles: Japan’s Experience”, Center Occasional Paper, Asia-Pacific Center for Security Studies, Hawaii, December 1998.

123 Hopmann, 114.

The above statement has direct applicability to the PRC position in the current stalemate, since CCP leaders have conditioned much of their regime legitimacy and nationalistic goals on the “one China” principle. On the other hand, without formal international recognition or legal basis to represent “one China,” Taiwan cannot commit to this precept and still see any real benefit in a cooperative outcome. Therefore, from each side’s perspective the status quo becomes a *fait accompli* until one side relaxes its preconditions for talks or the use of military force becomes the preferred alternative to unlock the stalemate.

Based on these factors, maintaining a status quo cross-strait relationship becomes a rational goal for all parties. However, whether this status quo remains static or dynamic is truly the issue. As Denny Roy argues:

Given that the political status quo will likely persist for the foreseeable future, the best hope to maintain peace in the Taiwan Strait is that all three parties have been chastened and enlightened by the 1995-96 crisis and will strive to avoid conflict while buying enough time for evolutionary changes that might reduce cross-strait tensions.¹²⁴

The evolutionary changes mentioned above involve the ability to link communities across the strait in a manner that emphasizes cooperation while minimizing the potential for conflict. Any dynamic changes that occur in the tenuous relationship across the strait create the potential for miscalculation and destabilize efforts to promote dialogue. A

¹²⁴ Roy refers to this option as a “chastened status quo” in the current cross-strait dispute. See Denny Roy, “Peace without Reunification: Promise and Problems”, *The Legacy of the Taiwan Relations Act: A Compendium of Authoritative 20th Anniversary Assessments*, (Taipei: Government Information Office, 1999), 204-209.

“static” status quo creates the best environment for both sides to keep stability and economic prosperity at the center while future cross-strait relations move forward.

C. THE U.S. ROLE IN SUPPORTING STABILITY AND DIALOGUE

The United States plays an important role in efforts to see cross-strait integration lead to stability and cooperation. As of November 2000, both the PRC and Taiwan were among the top ten countries with which the U.S. trades, combining for approximately \$167 billion dollars in trade for the year.¹²⁵ This fact, combined with the requirement to maintain stability in the larger Asia-Pacific region, sets the stage for a U.S. policy approach that can support cooperative relations between the PRC and Taiwan yet hedge against Beijing’s threats to use force. It also accounts for the fact that maintaining peace in the Taiwan Strait becomes a clearly defined U.S. strategic interest.

As in the past, the Bush administration will need to find a policy approach that keeps potential threats, opposing political values and human rights issues, and economic incentives in proper perspective.¹²⁶ Regardless of the depiction of the PRC as a “strategic partner” or “strategic competitor” of the United States, the reality is that the U.S. role in cross-strait relations needs to encourage peace, stability, and prosperity. As Torkel Patterson, President Bush’s senior Asian advisor on the National Security Council, stated in an interview prior to assuming that position:

125 The PRC is the fourth largest U.S. trading partner and Taiwan ranks eighth. The PRC and Taiwan are also ranked first and sixth respectively in regards to countries that the U.S. has a trade deficit with. As of November 2000, the year to date deficit in millions of U.S. dollars with both countries totaled – 92,635.94. See “Top Ten Countries with which the U.S. Trades”, Available [Online]: <<http://www.census.gov/foreign-trade/top/dst/current/balance.html>> [13 February 2001].

126 For a recent analysis of current U.S. policy toward China and the three main actors that formulate the policy: the government, big corporations, and the military establishment see Franz Schurmann, Pacific News Service article based on a lecture given at the Nautilus Institute on April 13, 2001, Available [Online]: <<http://www.pacificnews.org/content/pns/2001/april/intricatemix.html>> [17 April 2001].

I don't think the US role in cross-strait relations will change dramatically under Bush's administration...The US is going to do what it should do for its own interest, and China's response to that is going to determine the quality of relations. In other words, you can't blame the US for China's reaction. China's reaction is up to China.¹²⁷

The contextual nature of U.S. cross-strait policy is not only determined by Beijing's reaction to U.S. foreign policy initiatives but also how well Washington responds to changing dynamics in the complex triangular relationship.¹²⁸ Downplaying any looming military confrontation between the PRC and the United States over the Taiwan question will be an essential element of U.S. cross-strait policy.

Any U.S. cross-strait policy approach must effectively balance official relations with the PRC and unofficial relations with Taiwan while at the same time protecting vital U.S. interests. Finding those areas of potential cooperation is essential to maintaining regional stability. As former President Clinton stated previously:

China's imminent entry into the World Trade Organization, made possible by the agreement we negotiated to open its markets and Congress's passage of permanent normal trade relations, can be the most important development in our relationship with that country since we normalized ties in 1979...With permanent normal trade relations, we have made the right

127 Patterson, in regards to Taiwan, states: "I think the Taiwan Relations Act is the governing law in the US concerning US relations with Taiwan...The Taiwan-China relationship is a long-term or medium-term crisis. It's not an immediate crisis." See Monique Chu, "US Likely to Walk Similar Taiwan Strait Line", *Taipei Times* online edition, December 18, 2000, Available [Online]: <<http://www.taipeitimes.com/news/2000/12/18/print/0000065982>> [20 January 2001].

128 A recent example of a changing dynamic affecting the relationship between all three sides was the collision of an U.S. surveillance plane with a PLA fighter aircraft over waters near Hainan Island. The subsequent landing of the U.S. aircraft on sovereign PRC territory and the detention of the U.S. crew until a negotiated settlement resolved the standoff served to highlight potential areas of confrontation in the future. Some analysts see this action as confirming the PRC is taking a more assertive and unpredictable approach to projecting military force in areas on its periphery that it claims as sovereign territory. See Michael Vatikiotis and Maureen Pao, "Just a Pawn in the Superpower Game", *Far Eastern Economic Review*, April 26, 2001, Available [Online]: <http://www.feer.com/_0104_26/p014region.html> [25 April 2001].

choice, to extend our hand rather than merely clenching our fist. Now we must build on it.¹²⁹

As each party keeps its focus on stability and economic interests at the center, an environment conducive to improved relations can move forward. By providing supportive rather than coercive economic and diplomatic incentives for both sides, the United States can best support integration efforts. In promoting a policy framework that avoids any type of future military confrontation with the PRC, Zbigniew Brzezinski states:

China is too big to be ignored, too old to be slighted, too weak to be appeased, and too ambitious to be taken for granted...For America, that requires a strategically clearheaded management of the sensitive issue of Taiwan and, even more so, of the longer range task of fitting China into a wider and more stable Eurasian equilibrium.¹³⁰

A balanced U.S. approach that encourages the PRC to become a responsible actor in the international system while allowing Taiwan the opportunity to pursue its democratic system of governing is essential to long-term stability in the strait.

1. Downplaying the Militarization of the Taiwan Strait

The PRC is not a country the U.S. military can easily overwhelm in a regional conflict. Recent U.S.-led NATO operations in Kosovo in 1999 achieved rapid success in an isolated environment because of distinct differences in military size and capabilities of each opposing side. In contrast to Serbia, the PRC maintains a military of approximately 2,480,000 regular forces, 1,200,000 reserves, over 3,000 combat aircraft, diverse naval

129 William Jefferson Clinton, "China's Opportunities, And Ours", *New York Times*, September 24, 2000.

130 Brzezinski also states: "For America, Taiwan is a problem; China is a challenge. Taiwan complicates U.S.-China relations, but it is U.S.-China relations that will determine in large measure the degree of stability or instability in the Far East and, more generally, in Eurasia." Zbigniew Brzezinski, "Living With China", *The National Interest*, Number 59, Spring 2000, 6-16.

assets that include 71 submarines, and a nuclear capable missile program.¹³¹ Although qualitatively backward compared to the U.S. military, the potential of the PLA to withstand a U.S.-led military operation in defense of Taiwan remains a negative factor for U.S. military planners. This factor weighs heavily on the decision-making process U.S. leaders would face in a future military confrontation over Taiwan. The possibility of a rapid, decisive U.S. victory is clearly not a significant deterrent against potential PRC use of military force carried out under the premise of defending its national sovereignty.

The U.S. position in the defense of Taiwan is intentionally ambiguous and needs to remain so.¹³² The policy option to guarantee the defense of Taiwan based on an aggressive PRC action, often referred to as strategic clarity, is weak politically, militarily, and diplomatically. First, U.S. military intervention in a Taiwan Strait scenario will not receive UN approval because the UN does not recognize Taiwan as a sovereign state and the PRC maintains a seat on the UN Security Council. Second, the PRC would likely

¹³¹ The International Institute for Strategic Studies, *The Military Balance 1999/2000*, (London: Oxford University Press, 1999), 186-189. For an assessment of the PRC's strategic posture see Robert A. Manning, Ronald Montaperto, and Brad Roberts, "China, Nuclear Weapons, and Arms Control: A Preliminary Assessment", Chairman's Report of a roundtable jointly sponsored by the Council on Foreign Relations, the National Defense University, and the Institute for Defense Analyses, 2000, 15-58.

¹³² A recent article reviewing U.S. cross-strait policy also highlighted the need to maintain a posture of strategic ambiguity to encourage a reduction of tension between the PRC and Taiwan. See Ronald N. Montaperto, James J. Przystup, and Gerald W. Faber, "One China and Relations Across the Strait", *Strategic Forum*, Institute for National Strategic Studies, National Defense University, No. 173, September 2000. Although the press highlighted the fact that President Bush, in response to several questions pertaining to China attacking Taiwan, stated that the U.S. did have an obligation to defend the Taiwanese. His short response to the set of questions did not fully address the complexities of the potential decision-making process. Bush's position was clarified in a later interview when he stated: "I think the Chinese must hear that ours is an administration, like other administrations, that is willing to uphold the spirit of the Taiwan Relations Act and I will do so. However, I think it's important for people to also note that mine is an administration that strongly supports the one China policy, that we expect any dispute to be resolved peacefully and that's the message I really want people to hear." See "Presidential Milestone: U.S. Must Defend Taiwan, Bush Says", Transcript of interview that aired on Good Morning America, April 25, 2001, Available [Online]: <http://abcnews.go.com/sections/GMA/GoodMorningAme.../GMA010425Bush_100days.htm> [25 April 2001] and "White House Report: Bush On One-China Policy", Office of International Information Programs, U.S. Department of State, April 25, 2001, Available [Online]: <<http://www.nautilus.org/napsnet/dr/index.html>> [26 April 2001].

argue U.S. intervention was an act of aggression under various articles of the UN charter.¹³³ The lack of UN backing forces the United States to act unilaterally and makes coalition building difficult. Lastly, other negative factors in defining an outright guarantee to defend Taiwan with U.S. military intervention overwhelming outweigh any possible benefits from adopting a policy of strategic clarity. These factors include but are not limited to the following:

- Taiwan may view the U.S. commitment as an unofficial backing to carry out more overt actions toward outright independence regardless of the stated U.S. “one China” policy
- The absence of an East Asia regional security organization such as NATO forces the United States to carry out actions unilaterally
- The lack of operability and integration with Taiwan’s military forces could prove detrimental, as both would likely be involved in defense operations
- U.S. strategic allies in the region, particularly Japan and South Korea, may not view U.S. military intervention in the Taiwan question as a valid policy option and therefore withhold direct support

An outright guarantee to defend Taiwan limits decision-making options and negatively influences the ability to foster cooperation leading to a peaceful resolution of cross-strait differences.

2. Maintaining the TRA and the “One China” Policy

Based on the above analysis and the common shared interests of stability and economic prosperity, the United States needs to continue to carry out its relations with

133 Based on the fact that Taiwan is not a member nation of the UN, under two principles in Chapter 1, Article 2 of the UN Charter, the United States is expected to “settle international disputes by peaceful means in such a manner that international peace and security, and justice is not endangered” and “refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any manner inconsistent with the purposes of the United Nations.” See “Charter of the United Nations”, in A. Leroy Bennet, *International Organizations: Principles and Issues*, (New Jersey: Prentice Hall, 1995), 467-468. Conversely, this is the reason why some argue for Taiwan to be included as a full-fledged member of the international community and gain UN recognition. This would afford Taiwan protection under international law against the threatened use of military force by the PRC. See David B. Rivkin Jr. and Lee A. Casey, “No Place Like Taiwan”, *Washington Times*, May 10,

Taiwan and the PRC in keeping with the TRA and the three communiqués respectively.¹³⁴ This includes, as Ralph Cossa states: “absent some obvious PRC provocation, Mr. Bush would do best by allowing the proposed Taiwan Security Enhancement Act (TSEA) to lie dormant.”¹³⁵ U.S. arms sales to Taiwan should continue via the TRA but need to provide, as David Shambaugh states, “deterrence without provocation.”¹³⁶ This approach has maintained peace in the Taiwan Strait for over twenty years and has provided a firm foundation for efforts to let integration lead to peaceful resolution of historical cross-strait divisions.

Although some strong supporters of Taiwan in the U.S. government see gaps in the existing TRA, a more balanced assessment clearly points to the continued usefulness and validity of the existing legislation in governing Washington’s unofficial relations with Taipei.¹³⁷ The current TRA is a known entity, from each side’s perspective, and is acknowledged, though under protest by the PRC, as a vital aspect of the Taiwan question.

2000.

134 As Susan Shirk states: “Our role should not be as a mediator but instead as a contributor to an environment in which the two sides can take good ideas and build on them...For the U.S. to play this role effectively and instill confidence, agreement between the legislative and executive branches on policy in the region is essential. And we must have a policy that will be supported by the American people. The experience of the TRA over the past twenty years provides a useful model for us to follow.” See Susan L. Shirk, “The Taiwan Relations Act at Twenty”, Testimony Before the House International Relations Committee, Subcommittee on Asia and the Pacific, Washington D.C., April 14, 1999, Available [Online]: <<http://www.state.gov.html>> [27 September 2000].

135 Cossa also posits that “cooperative engagement and managed competition” will likely guide future relations between Beijing and Washington. See Ralph A. Cossa, “U.S.-China Relations: Avoiding ‘Tests’”, PacNet Newsletter, #2, January 12, 2001, Available [Online]: <<http://www.csis.org/pacfor/pac0102.html>> [15 February 2001].

136 David Shambaugh, “The Taiwan Prescription is Deterrence Without Provocation”, *International Herald Tribune*, April 23, 2001. U.S. arms sales must also provide Taiwan with defense capabilities while not crossing the delicate line of sparking an arms race in the region. See David Shambaugh, “What Taiwan’s Military Really Needs”, *International Herald Tribune*, April 22-23, 2000, William Perry, “The Danger In Asia: An Arms Race”, *Los Angeles Times*, April 27, 2000, 15, and Erik Eckholm, “Experts Try to Make Missile Shield Plan Palatable to China”, *New York Times*, January 28, 2001, 1.

137 See Jesse Helms, “Defending Taiwan”, *Washington Times*, January 9, 2001 and Statement of Dr. Kurt Campbell, 15 Sep 1999, 61-65.

The TRA provides balance in the complex triangular relationship and serves as a deterrent against conflict. Additionally, it assists each side in the dispute to view the military option to resolve cross-strait differences as a lose-lose-lose proposition. Although the United States cannot rule out a military policy option should aggressive PRC actions warrant such a response, it can, however continue upholding a policy of strategic ambiguity under the existing TRA. This policy assists in downplaying the militarization of the Taiwan Strait, deterring PRC military aggression, and provides an incentive for each side to resolve differences peacefully on their own terms without outside intervention.

An unchanged U.S. “one China” policy also remains a cornerstone of efforts to promote peace and stability in the Taiwan Strait. Any new deviation from this consistent course of U.S. policy could dismantle efforts to resolve the Taiwan question peacefully. Although Beijing uses this principle to gain advantage over Taiwan in the international system, the United States has never endorsed all three components of the PRC-defined “one-China” principle. The PRC position includes:

- There is only one China in the world
- Taiwan is part of China
- The government of the PRC is the sole legal government representing the whole of China¹³⁸

The United States has intentionally not agreed to the PRC defined position in an effort to keep U.S. cross-strait policy as impartial as possible.

¹³⁸ Frank Ching, “What does ‘One China’ Mean?”, *Far Eastern Economic Review*, May 11, 2000, Available [Online]: <http://www.feer.com/_0005_11/p29.html> [6 May 2000].

Instead of accepting a PRC-defined principle that casts aside all U.S. support for Taiwan, the United States made a decision when it normalized relations with the PRC to acknowledge that:

Both wish to reduce the danger of international military conflict...The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China...Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan.¹³⁹

The ability to carefully state a U.S. position that did not disrupt the delicate relationship between all parties involved in the dispute was the right move in the past. This carefully constructed policy clearly remains the right approach for current and future initiatives to maintain peace in between both sides as well. The United States needs to see the futility of taking sides in the dispute and therefore must continue to provide support by encouraging peaceful exchanges and dialogue across the strait. The method to achieve this balance involves not becoming a third party mediator focused on negotiating a peaceful settlement but instead maintaining the TRA and the “one China” policy as the cornerstones of U.S. cross-strait policy.

¹³⁹ “Establishment of Diplomatic Relations Between P.R.C. and U.S.A.”, *Peking Review*, No. 51, December 22, 1978.

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V. CONCLUSION

The unresolved Taiwan question continues to challenge the PRC, Taiwan, and the United States. However, some hope remains that all sides involved in the dispute can come to the realization that promoting stability and encouraging constructive cross-strait dialogue are the means to a peaceful end. The historical cross-strait divisions and the evolution of opposing political systems and ways of life in the PRC and Taiwan have created a formidable barrier to improved relations. Nonetheless, common strategic interests of stability and economic prosperity can pave the way for maintaining a “static” status quo environment that deters conflict and integrates the communities across the strait until constructive dialogue resumes.

Ultimately, the will of the 1.2 billion mainlanders and the 23 million Taiwanese can overcome political, military, and economic factors to resolve the longstanding dispute peacefully. This peaceful solution will only come about after a long-term process of linking the two cross-strait communities by way of exchanges of goodwill and cooperation. Unlike the Cold War deterrence strategy of mutually assured destruction, an action plan to resolve the Taiwan question peacefully must come about from a strategy of mutually assured peace. In implementing this plan, each side can agree to disagree on precepts to resume talks, develop constructive dialogue, downplay the militarization of the Taiwan Strait, and eventually integrate by means of gradually improved cross-strait links.

As the people of the PRC and Taiwan work on reconciling their differences the United States must play a supportive, balanced role. This approach must focus on removing the stigma of U.S.-China policy being the battleground in the post-Cold War world. Although the United States must carry out its policies from a powerful position in the international system, maintaining a balanced relationship with both the PRC and Taiwan promotes regional stability and protects other vital U.S. interests. While engaging the PRC with proactive diplomatic and economic initiatives, the United States must continue to carry out policies that deter unwarranted PRC acts of aggression and do not neglect the close unofficial relations with the governing authorities of Taiwan. By maintaining a posture of strategic ambiguity and a cross-strait policy built on the three communiqués and the TRA, the United States can reduce the likelihood of future conflict while encouraging each side to develop peaceful mechanisms to resolve differences.

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